

The NATIONAL UNDERWRITER

Life Insurance

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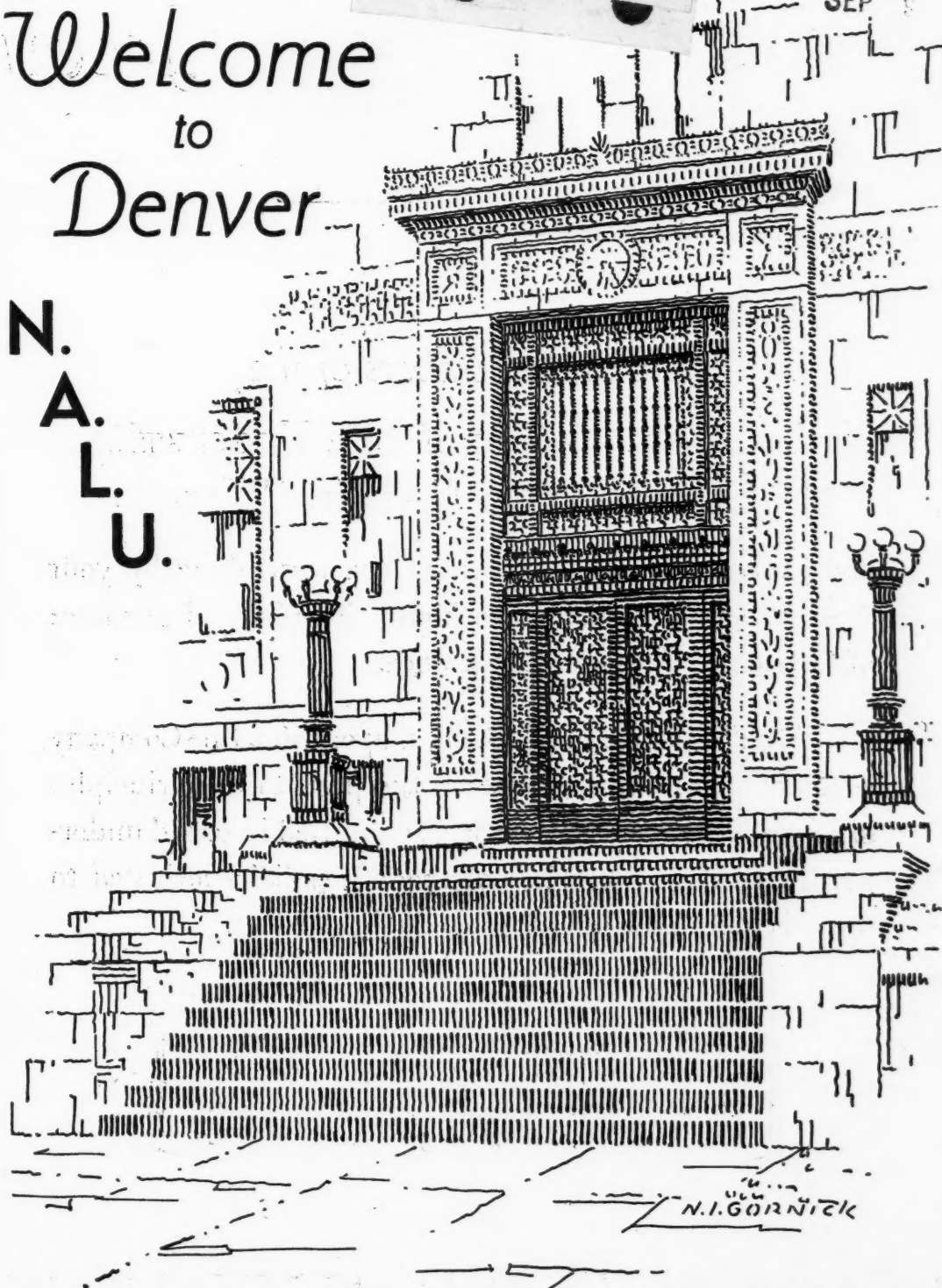
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Welcome
to
Denver

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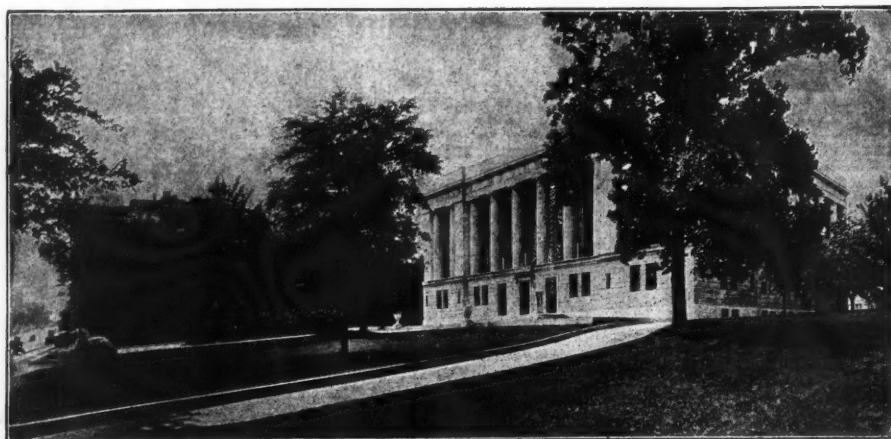
THE CAPITOL LIFE INSURANCE COMPANY

Clarence J. Daly, President

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3rd CONVENTION DAILY

FRIDAY, AUGUST 27, 1937



Home of the Kansas City Life Insurance Company

*We Extend
Greetings*

To the Members of the
**National Association of Life Underwriters
in Convention at Denver, Colorado**

and express our appreciation for the work done by your
Association to maintain the high principles and purposes
of the Institution of Life Insurance.

After **42** years of successful operation, this Company
is committed now, as always in the past, to the principles
of Legal Reserve Insurance, as exemplified in sound under-
writing and a wide variety of modern policies adjusted to
the needs of the people in all walks of life.

INSURANCE IN FORCE
\$440,000,000.00

KANSAS CITY LIFE INSURANCE CO.

HOME OFFICE—KANSAS CITY, MISSOURI

The NATIONAL UNDERWRITER

Strong Close For Denver Convention

Big Writer Can't Afford to Neglect The Smaller Cases

Mean More Service to Policyholders, Greater Total Volume and Greater Income

By HARRY T. WRIGHT

(Mr. Wright, who is associate agency manager of the Equitable of New York, in Chicago, a trustee of the National association, and immediate past chairman of the Million Dollar Round Table, gave this talk on "Volume Through Many Lives" at its session.)

You have heard about the fellow who is always talking about a big case: He had a \$300,000 case—it was \$100,000 when he talked to the man, \$100,000 when he had him examined and \$100,000 when he sent it back to the company.

There are two types of big producers: one who specializes in large cases and the other who gets some large cases, but who writes a large number of lives. Many people are under the impression that most million dollar producers specialize only in large cases. Generally speaking, this is not true. A record of last year's million dollar producers shows that the average number of cases was 85, average policy \$15,000, average volume \$1,300,000.

Certainly to some extent your average case is governed by the length of time you have been in this business and the age at which you started. It was my good fortune to work in the cashier's office for three years and then at age 22 start out in the field. Quite naturally my average case at that time was considerably smaller than it is today. Also, quite naturally, I grew up with my clientele; as they made progress, I made progress.

Situations That Call for Service

If you have a large number of clients and are taking care of them properly, it seems to me that situations are always developing whereby we can be of service. For instance, if a man makes a loan on his policy for \$2,500, why isn't it good business to cover that loan through insurance? The beneficiary would be glad to get the contract, loan free. God knows that I am no snob, and I am willing to write it. If a man buys a home, why shouldn't the mortgage be covered? If a man gets an increase of \$50 a month, why shouldn't he put at least part of it in additional insurance? If there is an addition to the family, isn't that an invitation to at least discuss additional insurance with him?

These may be comparatively smaller negotiations, but your client will know and recognize that you are endeavoring to bring his insurance up to his present requirements, and will recognize

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New Head of National Association



O. SAM CUMMINGS, Dallas

O. Sam Cummings of Dallas, general agent of the Kansas City Life for the state of Texas, who has just been advanced to the presidency of the National Association of Life Underwriters, entered the life insurance business in the fall of 1921, at the solicitation of the late Orville Thorp, a former president of the National association. After completing the life insurance course at Carnegie Institute, Mr. Cummings took up his work as assistant manager of the Orville Thorp agency and a year later was made a partner.

In 1927 he became assistant superintendent of agencies at the home office and upon Mr. Thorp's death in 1928, was named as his successor. Over \$30,000,000 of new business have been put on the books under Mr. Cummings' management. The total business in force in the agency is now over \$80,000,000.

Shortly after returning to Texas Mr. Cummings purchased a business building in downtown Dallas as home office for his agency. The O. Sam Cummings agency occupies the entire building. Formerly Kiwanis Executive

Before engaging in the life insurance

business Mr. Cummings was international secretary of Kiwanis clubs and is credited with the early success of that organization in the United States and Canada. During 1928 and 1929 Mr. Cummings served as international president of Kiwanis. He is the only life insurance executive who has held that office in any internationally known service club.

In the field of life insurance education Mr. Cummings established and served as director of life insurance schools at Southern Methodist University, Dallas, and Kansas City School of Commerce, Kansas City. He is the author of a textbook on life insurance, is a frequent contributor to life insurance publications and has appeared as a speaker on life insurance topics in many sections of the United States and Canada.

Mr. Cummings has been vice president and president of the Texas association, and has held several official positions in the Dallas association. In the past seven years he has acted as chairman of 13 committees of the National association and has been a trustee of the national body. The past year

Three Rousing Insurance Talks At Final Session

R. F. C. Director Is Final Speaker—Fellowship Luncheon Is Parting Feature

The Denver convention of the National Association of Life Underwriters came to a strong close this morning with three rousing life insurance speakers, an outside speaker, and induction of new officers. O. Sam Cummings, the new president, was the presiding officer.

Friday morning Mr. Cummings was feted at a breakfast of Texas representatives, with about 50 in attendance. O. D. Douglas, Lincoln National, San Antonio, president Texas association, presided at that affair in honor of their co-citizen. Saturday about 200 home office and field representatives of Kansas City Life will gather in Colorado Springs to eulogize and rejoice in the election of Mr. Cummings.

Cummings Was Song Leader

The new president proved his metal Thursday morning. Jules Brazil, the song leader who had been opening the sessions, was called to Miami by the death of his father. Mr. Cummings undertook to get a substitute. Failing in that search, he got up, after some three hours sleep, and performed as song leader himself.

Those attending the convention will receive in the next few days a digest containing some of the most significant quotations from convention speakers grouped under various headings such as "prospecting," "closing," etc.

This work was done by a committee headed by J. H. McCarroll, Bankers of Iowa, and consisting of A. S. Anderson, Equitable of Iowa, Earl Trangmar, Metropolitan, Lara P. Good, Prudential, San Diego, and Karl Madden, Penn Mutual, Davenport, Ia. In the past two or three years this committee undertook to get in the hands of delegates each morning a digest of the previous day's significant sayings. That arrangement was abandoned in favor of a single, post convention bulletin.

Convention Financial Success

The final registration was about 1,400. That is considered thoroughly satisfactory in view of the fact that Denver is in the midst of a sparsely populated region. Financially the convention was successful. Registration fees totaled about \$1,000 more than at the Boston convention last year although the attendance in 1936 was greater.

The convention speech that caused

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he has been chairman of the General Agents and Manager Section of the National association, as well as vice president of the parent body. He is a director of the American College of Life Underwriters.

Uses a Square in Agency Building Projects

Sets Up Standards for Each Part of Program and Checks Results

(W. M. Rothaermel of Chicago, who was until recently superintendent of agencies, central department, Equitable Society, prepared this paper for the General Agents and Managers' Section program. In his absence it was given by Holgar Johnson, Penn Mutual, Pittsburgh.)

I believe the planning for a building program is as important as the program itself.

There is a law of averages in agency management and agency building, just as for agents. We have made some interesting studies on this law of averages that may help to guide your thinking on this subject. Of course, these figures are our own and do not represent the company experience.

In considering any recruiting or building program, whether it would be a new, scratch agency or for an older, established agency, the first thing to do would be to survey the territory, find out the centers of population, buying power, and what the sales potentialities are for you and your company.

Measure of Potentialities

How many of you have had the experience of a home office man saying to you, "John, you have a great territory; you ought to produce \$5,000,000 of business." What were your reactions? Did you feel that he knew what he was talking about, or that he was just giving you the "old line"? Did you take the figures seriously? What was your own estimate of the territory, and how did you arrive at it?

We have been guilty of that offense, and in order to be sincere and have our statements grounded on facts when we made such remarks to a manager or unit manager, we tried to work out some measure of the potentialities of his territory.

Three Methods Outlined

There are three methods of doing this:

1. The per capita method.
2. The percentage method.
3. The buying power method.

In the per capita method, you take the production of your company and divide it by the population of the territory in which they operate, and the result is the average per capita production. Suppose your company produces \$100,000,000 in a territory where there are 50 million people. The per capita production would therefore be \$2 per person. This is not the most accurate method of determining a territorial possibility, but it is a good rule of thumb.

Percentage Method

The percentage method. Each month the Research Bureau issues a bulletin showing the total paid for life business for the country as a whole and for each state. We relate our own company's paid business to the total to find the percentage of total business that we are securing. On this basis, we analyze the states to find which are above or below this average. This method can only be used in statewide agencies.

Neither of these methods takes into consideration many factors which affect buying power. For years, the Research Bureau has brought out buying power figures, properly weighted and subdivided by states and counties. We have prepared a colored map, showing the good counties and bad counties which, first of all, directs our attention to the counties which should be de-

veloped in the order of their buying power percentage.

We have analyzed each county on the following bases: Population, actual production, per capita production. Then we have shown the county's percentage of U. S. buying power and have related that percentage to the Society's paid business to find out what that county should have produced. As an

example, suppose you have a county with 1 per cent of the United States buying power and, again using round figures, the company produced 100 million dollars. That county should have produced 1 per cent of the total, or 1 million dollars.

After we have determined the buy-

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Convention Shots



Top row (left to right)—F. E. Walker, general agent Mutual Benefit H. & A. and United Benefit Life, president, Salt Lake City association; A. E. Buckwell, Travelers manager, Salt Lake City, and F. J. Wagstaff, Mutual Life, secretary Salt Lake City association. Middle row—N. A. Bollacker, Metropolitan, Denver; W. A. Fraser, Bankers of Iowa, Lincoln, Neb. Bottom row—Grant Hill, superintendent of agencies Northwestern Mutual, and A. B. Ballah, Denver general agent Northwestern Mutual.

Questions Raised As to Agent's Own Income Tax Payment

A tax question of interest to agents themselves rather than their policyholders was brought up by George E. Lackey, general agent Massachusetts Mutual, Detroit, at the open forum of the Million Dollar Round Table, in an inquiry addressed to N. H. Seefurth of Chicago, who had just spoken on federal tax legislation.

MR. LACKEY: I have been told that there is some possibility that there is a way out for men in the life insurance business to cease paying income tax on the commissions on their own life insurance. Can we just pay the company 95 percent of our premium? The grocer, for example, goes into the grocery and gets his own groceries, but I doubt very much whether he reports a profit to the government on the groceries he eats.

MR. SEEFURTH: He probably doesn't.

MR. LACKEY: I have paid a great deal of income tax on commissions on my own life insurance.

MR. SEEFURTH: Of course, there has been a ruling on that point, and they claim that the agent has to pay income tax on the commissions, even on his own insurance. There never has been a test case. They do it, I suppose, on the theory that actually if he were buying that insurance for somebody else he would have to pay the gross premium.

MR. LACKEY: Do you suppose the automobile salesman reports the income on the sale of his own car to the government?

MR. SEEFURTH: I question it very much in the case of people who can buy at a discount. Employees in a department store, on clothing and articles of that nature, get their 10, 15 or 20 percent. I doubt very much whether they call that discount income. It does look as though the life insurance people are being discriminated against on that basis. You might say that the other people actually should pay, but there is such a multitude of small transactions that they are just overlooked, and many of those people never file a return.

MR. LACKEY: What was that decision on assignment of interest of income?

MR. SEEFURTH: The leading case is the Blair case, decided by the United States Supreme Court. A man was a life beneficiary under a trust that had been created by his father. He chose to assign, I believe, one-third of the income, all his right, title and interest to that income, to his daughter. The daughter claimed that that income should be taxed to her. The government said it should be taxed to the father. It was carried up to the United States Supreme Court and the court upheld the taxpayer. It said it should be taxed to the daughter. That had an analogy to the vested interest of life insurance men in renewals.

MR. LACKEY: Do you feel that we can qualify on cases that have been written, provided we terminate the contractual relationship under which the case was written?

MR. SEEFURTH: It seems to me if the court followed the Blair case to its logical conclusion you can do that, and have that income taxed to your wife.

MR. LACKEY: Yes.

MR. SEEFURTH: Or to a trust.

MR. LACKEY: Assuming that you assign either the one or the other on that promise, can I have all contracts that I have with other life insurance companies besides by own living contract that I have, cancelled and as-

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Clientele Gives Security

Rewards Go to the Agent Who Consciously and Deliberately Builds Circle of Contacts and Friends

By ROBERT B. COOLIDGE
Superintendent of Agencies,
Aetna Life

The statement has often been made that the man engaged in life underwriting is in the most secure profession. I wonder if that statement is true? I wonder if it has been repeated so often that it has come to be accepted with too little regard for the facts?

Is the security in our profession automatic? Can the life underwriter, even though he may be successful today, rely upon the mere passage of time to bring him a secure, consistent and substantial income?

I walked into the office of a life underwriter. This man is a good salesman, has had years of experience, has been a substantial producer, and has literally hundreds of policyholders. Surely such a man should have won security.

Consults City Directory

He was taking a list of names from the city directory to use as cold canvass prospects. The look of amazement on my face was probably so poorly disguised that I didn't need to ask for an explanation. He volunteered it—he was out of prospects.

What kind of security is that? A man with a wealth of experience and hundreds of policyholders going back to the methods which he used during his first year in the business—with all of the uncertainty and all of the grief which that involves. Certainly if he has security, it's of a mighty precarious variety.

In the same city I called upon another underwriter. He is no better salesman than the first, has no more experience, no more policyholders, and, until the last few years, no better production record. Soon the conversation drifted around to, "Well, how's business?"

Having a Good Year

"I'm having a good year," he said. "I'll pay for between \$400,000 and \$500,000 this year. I've been building up my clientele for a long time, and I now have more than 300 clients. I've kept records, and I know that I can sell an average of one out of seven of them every year, for an average

amount of \$7,100. This will equal about \$300,000 of business. The balance will come from new clients. I can figure on about \$400,000 to \$500,000."

That is security. Genuine security. It isn't dependent upon the breaks. It isn't dependent upon the whims of one man or group of men. It isn't even dependent upon his job. Because that underwriter is always sure of a job.

Gets Business Pleasantly

No longer does he wonder where his business is coming from each year—he knows. No longer does he worry about prospects. All he has to do is replenish and gradually enlarge his clientele, and this is done through his present clients. No longer does he have to blast out his business the hard way. He gets it easily, naturally, pleasantly, and in constantly increasing volume.

What is the difference between these two underwriters? The principal difference is that one is a client builder and the one is not.

Security in life underwriting is attainable, but it is not automatic; it comes to the man who consciously, deliberately builds a clientele.

How can a clientele be built?

Not long ago an underwriter made a \$25,000 sale and an enthusiastic client by building a complete, intelligent program. The client—a prominent physician—had never seen what life insurance could really do for him and his family, and how it could be tailored to his requirements. He committed himself then and there to further purchases in the future.

Bought Policy Recently

It developed that only two months previously he had purchased a \$3,000 policy from another company. The doctor explained that the agent came in and said his company was holding a convention, and that he was just \$3,000 short of qualifying. "So he asked me to buy \$3,000, and I did."

Another example:

Not long ago a general agent observed a policyholder at the counter discussing certain beneficiary changes with the cashier. The policyholder said, "I thought that I was all through buying life insurance, but the other day the agent of another company induced me to let him work out a complete plan

for me. Instead of being all through buying I'm just beginning. I never realized the value and importance of insurance before." The general agent then tried to offer his own services, but the policyholder had been too well sold on the service of the competing agent.

Conversation Is Overheard

A young underwriter was going over the program of the department head of a corporation. During the interview the president of the company strolled by the desk and overheard some of the conversation. He turned to the underwriter and said, "When you are through there come in to see me." When the underwriter entered the president's office, the latter said, "Young man, I've been looking for a life insurance man like you all my life—now you go ahead and give me this service." A \$15,000 sale was made, but more important—a client and center of influence.

Another underwriter had sold \$85,000 to the vice president of a manufacturing concern. The prospect said, "I don't believe there is anything you can do for me. John Doe is my insurance man, and he has taken care of me very well. He has sold me \$85,000 of insurance."

Inquires as to Settlement

Knowing John Doe was a million dollar producer of good reputation, the underwriter said, "Well, in that case I don't think there is a thing that I can do for you. Doe is a mighty good man. By the way, how did he arrange for the settlement of your policies—through a trust company or through settlement options?"

"Neither one," said the prospect. "I don't want to tie up my insurance."

The underwriter said, "Well—I'm not so sure there is nothing I can do for you."

Within a short time a sound basis for a complete life insurance program had been established. On the next interview a \$25,000 sale was made, and a client had been made by one underwriter and lost by another.

None Genuine Clients

What do all of these examples illustrate—if anything? Every prospect was a policyholder of someone. But none of them were genuine clients until an underwriter came along who insisted upon thinking through all of their life insurance problems and plans with them. Before a man may be considered a permanent client, it seems necessary not only that he be a policyholder, and not only that he look to you for life insurance advice, but also that

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Shows Opportunity To Sell Business Insurance to Women

By ELLEN M. PUTNAM
National Life, Rochester, N. Y.

(Miss Putnam was a "panel" discussion speaker at the "Business Insurance" seminar Wednesday afternoon.)

I have found no special technique necessary in selling business insurance to women. If women are in business they have the same need for business insurance as men have. But it would profit every underwriter to realize that such business is available and to look for it.

There are a few cases where women are "key men," so to speak, and insurance on their lives payable by the corporation and to the corporation is needed, such as a president or executive, a designer, advertising expert, or buyer.

For the most part, however, business insurance for women will be of the partnership or stock purchase type. The underwriter can best look for this type of business in such businesses as tea rooms, dress shops, children's shops, toy shops, private nursery schools, private day and boarding schools, private hospitals, convalescent homes, large beauty shops, dressmaking establishments, advertising agencies run by women, photographers, employment agencies, lighting fixture shops, interior decorators, dancing studios, travel bureaus, florist shops, and specialty bake shops.

Women in Partnerships

There are many partnerships where a woman, usually the widow of one of the original partners, forms a new partnership with the surviving partner, or where a competent secretary has been taken into the partnership or close corporation. Some examples of this type I have found are funeral homes, dry cleaning establishments, carting companies, dairy companies, milling companies, investment houses, manufacturing concerns.

Provident Mutual Get Together

The Provident Mutual people had a get together Wednesday evening in the Denver Athletic Club. George Quigley, Denver general agent, presided. From the head office came three assistant superintendents of agencies—D. A. Hampton, M. L. Williams, and Walter Cross.

FOUR NEWLY ELECTED TRUSTEES OF NATIONAL ASSOCIATION



RAY HODGES, Cincinnati
Ohio National Life



W. M. DUFF, Pittsburgh
Equitable Life of New York



J. HAWLEY WILSON, Peoria
Massachusetts Mutual Life



FRANK B. SUMMERS, Boston
New York Life

Prospect List, Based on Friends, Is Agent's Future

In addressing the Friday morning session on "Prospecting That Brings More and Better Sales," Bert C. Nelson of the Northwestern Mutual in Milwaukee remarked that he is "sold" on his job. Very few who are in love with their jobs fail, he declared.

The agent, according to Mr. Nelson, should buy generously of life insurance. He should practice what he preaches. There is no short cut to success in the insurance business, he asserted. The agent must have a definite goal, nothing compares with securing an application in stimulating enthusiasm and improving mental attitude.

What Selling Comprises

Life insurance selling includes prospecting, qualifying, organizing, cultivation, interviewing and keeping records. About 90 per cent of an agent's success depends on his prospecting and his mental attitude as it relates to prospecting.

The future of an agent is his prospect file.

Before a person becomes a prospect, the agent needs to know that he has an insurance need that the agent is equipped to satisfy, that he can pay the yearly deposit and that an interview can be obtained on a favorable basis.

Prospects are found among persons known to the agents. He urged agents to be "joiners."

Getting a Large Payroll

Then there are prospects among persons that are known to friends of the

agents. Cold canvass, he said, is the hard way.

Mr. Nelson said that 50 per cent of an agent's sales in the next five years will be made to people whom the agent does not know now. The agent must know people and learn to call them by name. Mr. Nelson said that 85 per cent of his business is sold to people whom he knows or to people whom they know.

A man who is alert to insurance situations will be a success. He urged agents to make friends, "then get friends and policyholders on your payroll without pay." The agent should be sincere, give real service and win confidence.

"Use only friends who like you, whose personalities click with yours," he advised. "Use only those who respect and admire your ability and knowledge of life insurance."

He recommended making up analysis and survey books and returning policies in a leather folder with name on front in gold letters.

Do Something for Friends

"Do something for your friends or you soon do not have friends to do for," he remarked. "Try to become the best known and best liked life insurance man in your community. Remember, people like to deal with those people they know and have confidence in. Try to be a good fellow at all times—a regular fellow—be human, use common sense.

"Avoid discouragement—the sun will

shine again—anyone can quit. Remember, only game fish swim upstream.

"Keep physically fit, get eight hours' sleep, look successful, keep smiling always, be courteous, it pays big dividends even though you work for a non-participating company.

"Do some real civic work; be a part of your community—not just live off of it.

Do Some Outstanding Job

"Do some outstanding job and win recognition.

"Write letters to men coming to your city.

"We can make a success of this business selling small policies.

"Let's be in the prospect's presence or on the way to see one.

"I have prospects that I can see, more than 500 policyholders already in new location in less than six years.

"Remember, sincerity and earnestness cause enthusiasm, and enthusiasm is the white heat that makes the sale. It has helped me.

"Our greatest glory is not in never falling, but in rising every time we fall.

Be Better Actors

"Sometimes it takes an actor to sell life insurance; then let's be better actors.

"We represent the only financial institution in the world to guarantee a certain sum of money at a definite time in life.

"Have a firm conviction that life insurance is the world's best investment and I know from personal experience.

"I honestly believe that my life insurance company knows far better how to handle money than the average man or woman.

"We are in the greatest business in the world; let's get out and tell our story to more men and women in a

Gives Suggestions for Building Own Security



R. B. COOLIDGE

Superintendent of Agencies Aetna Life

more convincing way with more enthusiasm and more earnestness as though we mean it; let's put some dynamite into our sales talk, let's do whatever it takes.

"If necessary tell them life insurance matures even if you don't, that dead men are unemployed.

"I think it takes a mule kick to sell life insurance; it is no place for a man without intestinal fortitude.

"When we solicit a prospect there is always a sale made; we sell him or he sells us.

"We are better life insurance men when we settle a few death claims."

Snapped While Fraternizing in Lobbies



Top row (left to right)—Ray Peterson, agency manager; Gene Hickman, home office general agent; Nephi L. Morris, secretary; Glenn Holley of the home office agency, and Evan Gamette, office manager, all from Pacific National Life of Salt Lake City; James A. Preston, sales manager, and Edward Danford, head office agency, Columbus Mutual Life.

Bottom row—Lester O. Schriver, Aetna Life, Peoria, Ill., and M. L. Seltzer, Aetna Life, Des Moines; T. W. Cole and Harry Anderson, assistant superintendents of agencies, Travelers, and John Humphreys, Travelers, Denver.

Big Writer Can't Afford to Neglect The Smaller Cases

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nize you as his insurance man. This may be more important than you think.

In my opinion, the large producer who is writing around 100 cases or more a year is rendering a far greater service than the man who writes the same volume or even a larger volume and only writes 10 or 15 cases a year.

Makes Simple Matter Complicated

Sometimes the so-called large case specialist gets very much involved. He makes what should be very simple, very complicated. He gets rather legal and confuses the project, with the result that no one gets any business.

There may be "peak years" where the volume is larger, but the average production over a period of 10 years usually doesn't come up to that of the man who is producing a larger number of cases. Another thing, the income over a period of 10 years in the greater majority of cases will be considerably less than the fellow producing the larger number.

In my own case, I enjoy keeping busy and serving my clients and writing a rather substantial number of cases. Doing business generally, several times a week or more, is bound to keep even the larger producer in the right and aggressive frame of mind.

If you do business with a large number of people over a period of years and are handling yourself in the proper way, it would be impossible not to have some of your clients, who start out on a very modest basis, develop into big buyers of life insurance, and if you have properly taken care of them you are bound to get a number of large cases.



Educational Work, Both National and Local, Reviewed

Two Phases of Activity Combined in Presentation of Report by Chairman Holgar J. Johnson

At the session of the national council Monday afternoon devoted to consideration of local association activities in connection with reports of National association committees, Holgar J. Johnson, Penn Mutual, Pittsburgh, presented the report of the educational committee in novel and entertaining fashion. He called upon representatives of the various associations to supplement his observations with their experiences.

Mr. Johnson referred to the fact that the committee had undertaken to give currency to constructive works to offset the wave of attack literature. He called upon Maurice Stearns, John Hancock, Providence, R. I., to tell what had been done there. Mr. Stearns said excellent response came from letters to bank presidents and libraries bringing to their attention the volume "The Truth About Life Insurance."

Reform in Louisiana

Fred Le Laurin, New Orleans, said the only required reading in Louisiana State University on life insurance was the book "Life Insurance—a Legalized Racket" by the Gilbert attack clan. The local association had that replaced with constructive works.

Mr. Johnson said the National association has arranged for the printing of a special edition of M. A. Linton's book "Life Insurance Speaks for Itself." At a cost of \$3,000 this will be sent to libraries and high schools. He urged the local associations to follow through in this project.

Mr. Le Laurin suggested that arrangements be made to have book dealers take constructive works on consignment. Such dealers, he said, have been taking attack books on that basis.

National Essay Contest

Mr. Johnson called upon W. Rankin Furey, Berkshire Life, Pittsburgh, to report on the national essay contest for high school students. About 200 local associations participated, 175 of which did an earnest job; some 1,200 high schools enrolled, 33,000 letters were received and he estimated about 100,000 letters were written. About 125 local associations gave money prizes and he estimated the locals spent about \$10,000 in promotional work. Hundreds of columns of newspaper publicity appeared. He called on Bert Maddox to tell about what was done in Atlanta.

The cooperation of school superintendents was secured, Mr. Maddox reported. Each of 21 association members was made responsible for a high school. Local prizes were given. Prominent persons acted as judges. Letters numbering 682 were received. The climax was a meeting attended by prominent persons, the prize winners, etc. He sug-

gested in the future the contest be integrated with life insurance week.

Overcame Obstacles

E. M. Aiken, secretary Pittsburgh association, said the public school boards refused to sponsor the undertaking. Accordingly successful efforts were made to reach the students direct. The Boy Scouts helped distribute literature. The parochial schools participated directly. Some 7,500 manuals were distributed.

A representative from Akron, O., reported what had been done there. The superintendent of schools was cordial but the instructors of English had to be worked on. Thirteen high schools took part. Contest letters were received from 400 out of total high school enrollment of 12,000. The association spent \$330. He read the prize winning letter.

Mr. Johnson recommended that continuation of the contest be anticipated and that an organization be set up early in the fall.

T. M. Riehle spoke up, predicting that the contest will take on larger proportions in the future.

Meetings for the Public

Mr. Johnson said during the year life insurance meetings for the public had been sponsored in many places. He

urged that each local association arrange one such gathering a year.

Moses Smith of Madison, Wis., told of the meeting in his city attended by 400 and addressed by Roger Hull. The audience wanted another one, he said.

Karl Brackett, John Hancock, San Francisco, told about the successful meeting in southern California at which the legislators were entertained last winter and said there was much need for education of law-makers in regard to life insurance.

Plan for Texas Insurance Chair

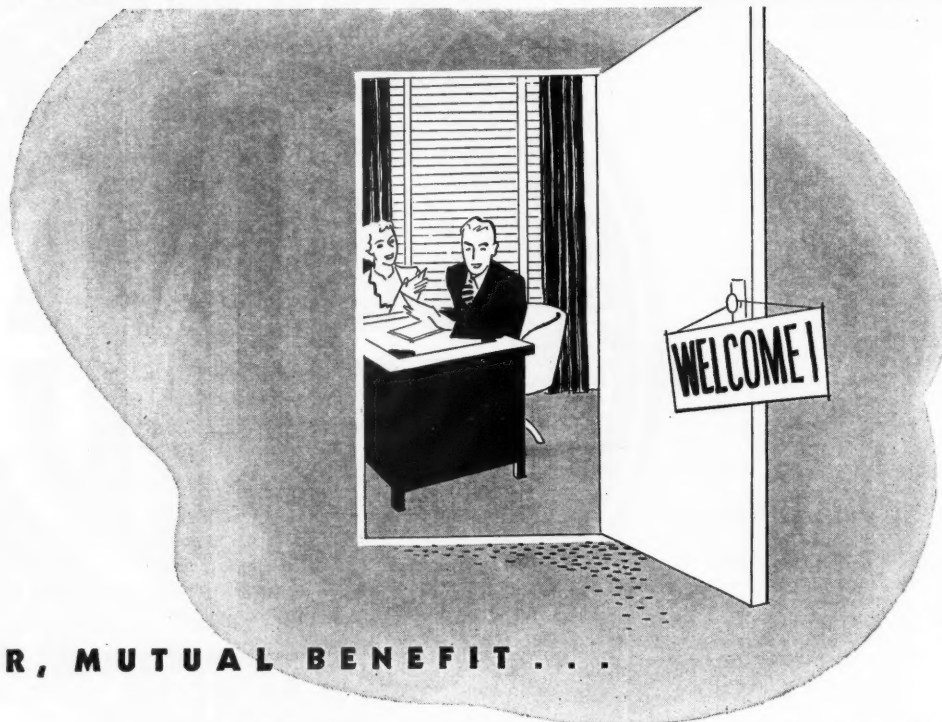
Alva Carlton, Great Southern Life, Houston, Tex., was called on to tell about the plans for establishing a chair of life insurance in the University of Texas. He said the plan for having the expense of the course underwritten by the Texas life companies had been dropped, because there was a question as to whether some of the insurance departments would approve the expenditure of their funds for that purpose, and the plan now is to ask the legislature to increase the license fee enough to take care of the expense.

He emphasized that purpose of the proposed course is not so much to prepare men to go into life insurance as to prepare men to buy life insurance.

The university authorities would make instruction in life insurance fundamentals compulsory for all students in either the freshman or sophomore class. Then those who desire to go farther can do so if they desire.

Life Insurance Week

Chairman Johnson spoke briefly of the Life Insurance Week observance this year and then called on Miss Helen Rockwell to tell of the activities of the Cleveland association, which won first honors for its work in that connection. She said one of the factors in its success was the high caliber of its speakers bureau. No speaker was sent out who was not a graduate of that bureau. In all 58 talks were given to schools and colleges. These talks obtained notable results through children, parents and teachers. Many voluntary testimonials were received from teachers. Children are educating their parents. The association also rewrote the booklet on life insurance, 1,000 copies of which had previously been distributed, and put out 5,000 copies of the new edition. A chapter was added on life insurance as a vocation, the results of which are already noticeable in recruiting work in Cleveland agencies.



ENTER, MUTUAL BENEFIT . . .

• Through the doorway sits the prospect—and a problem. His wants, his ambitions, his life are his alone. No one in the world has a wife and children like HIS. Ask him.

He is an individual . . . and he needs an individual solution to his problem. That's where the Mutual Benefit man steps in—with the answer.

• The Mutual Benefit man can render a *personalized* service, "custom building" a life insurance estate to fit the life plans of each individual. He can draw on a vast resource of forms, plans and combinations of settlement agreements to fit almost any situation. That's how flexible and adaptable Mutual Benefit contracts are.

• Back of the Mutual Benefit man stands a home office with a proved ability to cooperate in the drafting of even minute details of an individual life plan. Back of him also stands a record of stability and fair dealing—a record of sound protection and liberal treatment. The Mutual Benefit has always been more liberal than any insurance law required. Of its own volition the Mutual Benefit pioneered the Principle of Retroaction, which extends so far as possible all new benefits to old policies, making them in effect as modern as the newest.

• The Mutual Benefit story of *personalized service* and fair dealing is earning its men a welcome. The Mutual Benefit man speaks the prospect's language—the language of individualized service.

The
MUTUAL BENEFIT
LIFE INSURANCE COMPANY
NEWARK, N. J.

Important Notice - -

Insurance companies, please note that your Annual Report should be in the hands of the Colorado State Insurance Commissioner on or before the first day of March, 1938, and that the synopsis of such report, together with the Commissioner's Authority to do business in Colorado is required to be published in a qualified newspaper, published at the capital, for at least four insertions, within thirty days after such Certificate of Authority is issued, etc. (Section 2494, Compiled Laws of Colorado, 1921.)

Insurance companies each year use the Denver Leader for such publication, because our \$8.00 rate, covers the charge for the entire four insertions.

We shall be glad to publish your 1937 statements. Address Denver Leader, 1830 Curtis St., Denver, Colorado, for order blanks.

Progress of Past 10 Years Is Told In Hull's Report

Detractors of Life Insurance Rapped — Co-operation With Companies, Stressed.

Roger B. Hull, managing director, in his annual report reviewed the progress made in the 10 years since he assumed his present position. In 1927 there were 193 local units with 15,140 members. Now there are 303 local associations, a gain of 57 per cent, with 26,254 members, gain 77 per cent.

On the financial side, a deficit resulted from the first year's operation of the reorganized national headquarters, which was met by an assessment of \$7,800, contributed by about 100 association leaders. The second year that was all paid back, as finances went "in the black," with a steadily increasing surplus that time.

Developments Are Listed

He gave major credit for the advance to the executives and trustees of the National association during these ten years and paid high tribute to his aides at national headquarters, M. L. Hoffman and Wilfrid Jones.

Among the outstanding developments of the decade he listed the establishment of the American College of Life Underwriters, the offering of courses on life insurance in colleges and universities, with 143 schools now offering such courses; the development of institutional advertising and of Life Insurance week.

Pays Respects to Muckrakers

In paying his respects to the life insurance muckrakers, Mr. Hull said:

"Bred of the depression, there has arisen during the past five or six years, a host of detractors, who, for the miserable dollars that they can pilfer from the sale of sensational books and from the twisting of policies, have tried, through all conceivable—and some inconceivable—means, to break public confidence in our institution and to tear down the accumulated reserves. I shall not go into any extended characterization, either of some of those vicious vipers nor of their vitriolic vehicles, because as an attorney I realize that even the truth is no defense to a suit for slander, if facts are stated maliciously. And I could not tell you what I know and what I think about those scavengers without becoming malicious, at least in tone.

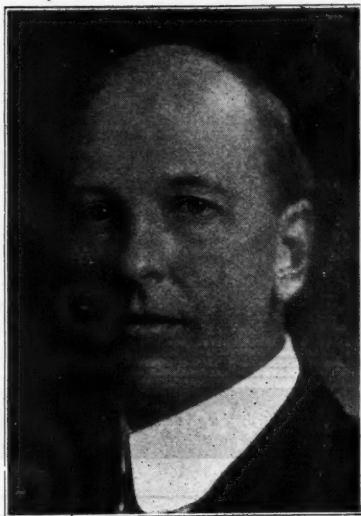
"It is sufficient to say that the institution has finally seen fit to renounce its right to sit supinely by and suffer in silence these scandalous scurrilities and has spoken for itself, through the able pen of President M. Albert Linton of the Provident Mutual. In accordance with the direction of the trustees of the National association, one of our chief concerns during these next few weeks and months shall be the broadest possible distribution of Mr. Linton's book 'Life Insurance Speaks for Itself.' A free copy is to be placed in public libraries of all association cities, and in every college and university library."

Improvement in Agency Practices

Especially reference was made to the progress made in the campaign for elimination of part-timers in the smaller cities conducted by the agency practices committee under the leadership of T. M. Riehle. Mr. Hull reported that 64 companies have signed this agreement, representing about two-thirds of the life insurance in force and covering about 70 per cent of the membership of the National association.

He mentioned two factors in the present situation which require some attention, starting with the matter of cooperation with the companies and stressing the progress which has been made and the infinite possibilities of further development, along lines of a

Presides at Fellowship Hour Closing Convention



J. STANLEY EDWARDS, Denver
Aetna Life

closer relationship between our organization and the legal reserve life insurance home-offices.

Close Contact Maintained

"We do not have, in this country," he said, "the favorable vehicle of cooperation which they have in Canada, in their so-called joint committee. We have, nevertheless, maintained close contact with the company leaders of the institution. We do not know that the companies have sensed any failure in duty on the part of those members of their field forces who constitute the membership in the National Association of Life Underwriters. We simply proffer our increasing cooperation, and express the hope that our objectives may always be in line with what company executives as a whole believe to be for the best interests of the business.

"As we look forward, we see the possibility of some new problems coming into the agency field—or at least some old ones in new dress. We hope that a way may be found, for bringing us even more closely together, in order that there may never be any slightest divergence of interest between our respective views and purposes.

Emphasis on Social Security

"The other factor—and the one in which, it seems to me, we find our greatest challenge to future usefulness—is related to the new emphasis which has come into our national life, upon economic and social security.

"I do not have to recite the details of that emphasis. We can take our cue from that stirring pronouncement of Governor Townsend of Indiana, 'In all of this agitation about social security and what the government is going to do for us along that line, we must not forget that the privately operated institution of life insurance has been doing, is doing, and will continue to do, a perfectly splendid job in providing economic security for our citizens.' And Governor Townsend is a member of the dominant party in Washington."

42 Billion Paid in U. S. in 92 Years, Riehle Finds

President T. M. Riehle of the National association released a statement that the grand total of all benefits paid to policyholders and beneficiaries by all United States companies from 1845, beginning of legal reserve life insurance, up to and including 1936, amounted to about \$41,900,000,000.

Since the end of 1929, American life companies have paid to policyholders and beneficiaries over \$18,000,000,000.

91 YEARS of Dependable Performance

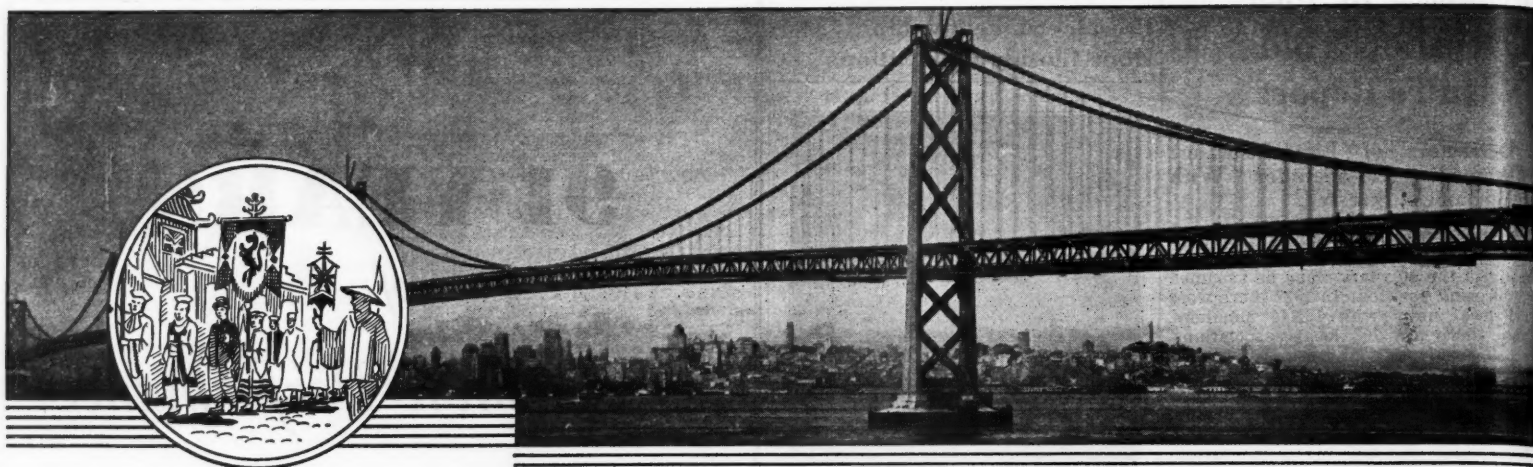
SINCE 1913 The Connecticut Mutual has retained and distributed the proceeds of its policies, when requested, under agreements containing trust provisions.

To help Company representatives present the important subject of trust agreements, two new pieces of sales literature have been published.

The first simply highlights the important reasons for using The Connecticut Mutual's trust agreement.

The second explains in detail that the functions of The Connecticut Mutual Life Insurance Company go beyond the mere creation of an estate and include its conservation and distribution as well. The booklet also points out the several definite advantages which the trust agreement has over the contractual agreement.

The
CONNECTICUT
♦ **MUTUAL LIFE** ♦
INSURANCE COMPANY
HARTFORD



The general agents and managers shown on this page take this means of extending felicitations to the N. A. L. U. assembled in Denver.

GREETINGS *from* SAN FRANCISCO +

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and ASSOCIATES

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681 Market St.
San Francisco

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Manager

J. M. MITCHELL, Asst. Mgr.

Fidelity Mutual Life Insurance Co.

Mills Building

San Francisco

V. T. Motschenbacher, C.L.U.

Branch Manager

&

Sun Life Assurance Co. of Canada

315 Montgomery St. San Francisco

ARTHUR S. HOLMAN

Manager

The Travelers Insurance Company
HARTFORD, CONN.

315 Montgomery St. San Francisco

WILLIAM J. YUVAN

General Agent

&

Guarantee Mutual Life Company

315 Fourteenth St. Oakland, Calif.

J. W. RIVERS

Manager Northern California

The Union Central Life Insurance Co.
CINCINNATI

Suite 1635 Russ Bldg. San Francisco

NELS J. NELSON

Manager

Reliance Life Insurance Company
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OTTO LANGPAAP

Supt. of Agencies for the States of
California, Arizona and Nevada

&

West Coast Life Insurance Company

605 Market St. San Francisco

JOS. A. SULLIVAN

ASSOCIATE GENERAL AGENT

The Equitable Life Assurance Society
of the United States

315 Montgomery St. San Francisco

OSCAR C. LE BART

General Agent

New England Mutual Life Ins. Co.
of BOSTON

260 Mills Tower San Francisco

"The Pioneer Company in California"

H. F. Sleeper

Paul W. Webber

SLEEPER and WEBBER

General Agents

The Lincoln National Life Ins. Co.

—Personalized Service—

"Ask the man at the desk next to yours"

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Clarence W. Peterson

Manager

Phoenix Mutual Life Insurance Co.
of HARTFORD, CONN.

155 Sansome St. San Francisco

H. Kenneth Cassidy, C.L.U.

Branch Manager

&

Pacific Mutual Life Insurance Co.

660 Market St. San Francisco

O. O. ORR

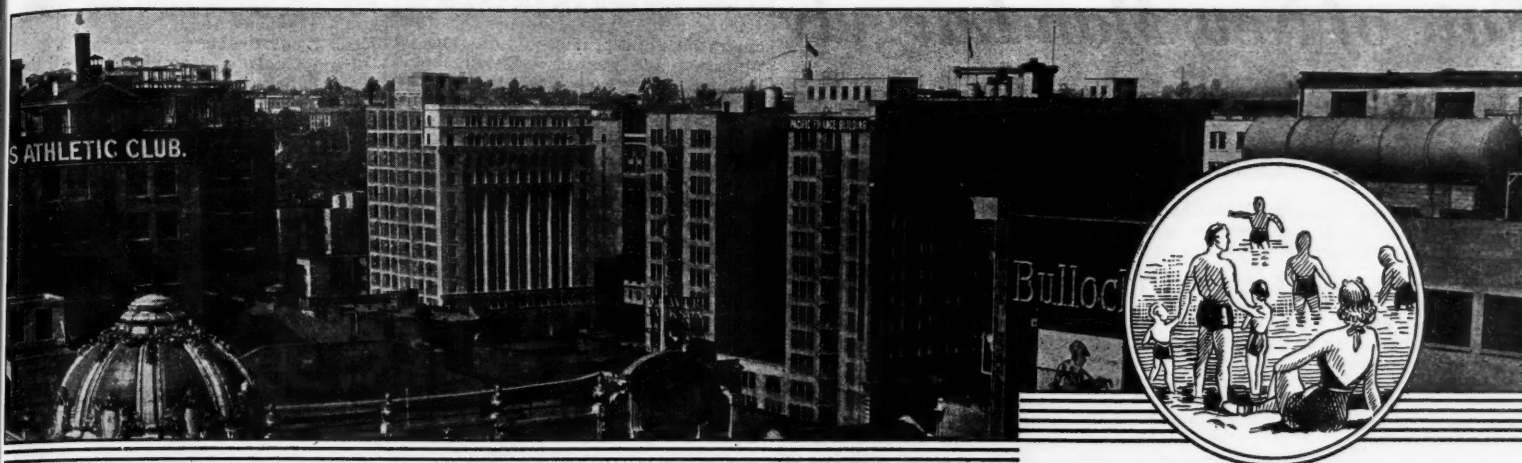
Manager

SAN FRANCISCO ORDINARY AGENCY

The Prudential Insurance Company
of AMERICA

Home Office—Newark, N. J.

725 Financial Center Bldg. San Francisco



+ GREETINGS *from* LOS ANGELES

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Manager



Fidelity Mutual Life Insurance Co.

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Los Angeles

WILLIAM E. LEBBY

State Manager

Massachusetts Indemnity Ins. Co.

Noncancellable Disability Insurance

530 West 6th St.

Los Angeles

*—And the men who help
make it one of the leading
life insurance centers of the
West and of the nation.*

*We congratulate the N. A.
L. U. on its progress.*

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and Associates

CALIFORNIA AGENTS

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and ASSOCIATES

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General Agent

The Lincoln National Life Ins. Co.

"Link Up With The Lincoln"

510 West 6th St.

Los Angeles

MARK S. TRUEBLOOD

Manager

SOUTHERN CALIFORNIA and ARIZONA

The Union Central Life Insurance Co.

CINCINNATI

510 West 6th St.

Los Angeles

J. G. MacCONNELL

General Agent

Home Life Insurance Company
of New York

510 West 6th St.

Los Angeles

W. K. MURPHY

General Agent

SOUTHERN CALIFORNIA

Northwestern Mutual Life Ins. Co.

609 So. Grand Ave.

Los Angeles

Hays, Hudson & Bradstreet

General Agents

New England Mutual Life Insurance
Company of Boston

609 South Grand Ave.

Los Angeles

JAMES H. COWLES

General Agent



Provident Mutual Life Insurance Co.

609 So. Grand Ave.

Los Angeles

ALBERT E. PAYTON

AGENCY

New England Mutual Life Insurance
Company of Boston

510 West 6th St.

Los Angeles

H. S. STANDISH

Manager



Sun Life Assurance Co. of Canada

617 So. Olive St.

Los Angeles

HAROLD G. SAUL

General Agent for Southern California



John Hancock Mutual Life Ins. Co.

510 West 6th St.

Los Angeles

WALTER G. GASTIL

Manager

SOUTHERN CALIFORNIA

Connecticut General Life Ins. Co.
HARTFORD, CONN.

609 So. Grand Ave.

Los Angeles

Fate of New Man Largely In Supervisor's Hands

By CHESTER O. FISCHER

(Mr. Fischer, vice president, Massachusetts Mutual, was the featured speaker at the supervisors' luncheon Wednesday.)

The need for training and supervision exists regardless of the care in the choice of new agents. The lack of the right kind of training and supervision is frequently the cause of failure. The school of experience is all right for those few who come through successfully, but it is inadequate for the vast majority who fail.

A few years ago a man coming into our business was given a rate book, an application, a pat on the back, and sent out with a prayer. Once in a while I have thought that perhaps that is the best system, after all, that our present methods are perhaps a waste of time. It did have its good points. It throws a man on his own initiative, makes him resourceful, and it saves a good deal of wear and tear on the nervous system of instructors.

On the other hand, I believe that the fault in many agencies is too little training. The scourge of our business is the number of untrained and unfit men in it.

Unless we meet our problem by organized training, the agent will be trained anyway.

The new agent gets training of some kind, since he will acquire some knowledge of the business and develop a set of habits during his first few months in the agency.

It requires twice as much effort to break one habit and substitute another as it does to form the first one. A good habit should be formed originally through proper training.

Why is supervision necessary? Turnover is too high and individual production is too low. Time and effort are not expended with efficiency. Agents are continually failing and leaving the business. Men who, by the best known methods of selection, should have been successful, are no longer with us, and we have lost time and money. We have added another man to that army of ex-life agents who are likely to tell people that the life insurance business is a good one to stay out of.

Points Accusing Finger

If a man wants to succeed and fails because he does not know how, it is entirely likely he can say, "I put myself in your hands. I invested my time and my capital. You told me you would teach me and train me to become successful. But you sent me into the field untrained."

The combination of intelligence, sales ability, and self-driving power in an individual is rare. Then, supervision is needed to supplement the ability of the average man. Most agents would welcome more direction and guidance than they receive. Most men lack persistency in doing every day the things which they know they ought to do.

Careful training and effective supervision are not only important to the new man, but they are vital factors in the success of the general agent and the well-being of the company. The capable, efficient agent operating on a sound basis has a desirable effect on the success of the agency, the quality and persistency of the business and, therefore, on the esprit de corps of the entire group. The successful man is important in the building of good will for the company.

What New Man Expects

The obligation of training and supervision falls squarely upon the shoulders of the supervisor.

How do the new man, the general agent and the company look at your

efforts in training and supervision, and what do they expect of you? The following is an outline of what the new man is thinking about and what he wants you to give him:

I. Before starting to solicit business (required training):

a. Fundamental knowledge of life insurance. Suggest each agent be given to read such books as "Truth About Life Insurance," "Economics of Life Insurance," "Opportunity in Life Underwriting," etc.

b. Knowledge of various policy forms. Time should be spent in acquainting each new agent with the different types of policies, their provisions and adaptability to needs.

Effective Approach

c. An effective approach. Because the first few minutes in the presence of a prospect are so important, an agent must be trained on his opening remarks. The approach must tie in with the plan of insurance or idea to be discussed.

d. A sales talk. At least one definite presentation of a plan should be so fixed in the agent's mind that he will be able to deliver it smoothly. One or two dress rehearsals should be held.

II. After commencing to solicit business:

a. Qualifying names. The agent should review the list of names of those he intends calling on, with the supervisor. An effort should be made to qualify each, noting the particular plan to be presented and the method of approach to be used.

Joint Work at First

b. Joint work. For the first month, the agent should be encouraged to seek the help of the supervisor on some initial calls, and particularly where closings are possible. Eventually the agent must be encouraged to go on his own and joint work should be the exception.

c. Daily and weekly reports. A check-up on each day's activities should be followed through. A discussion of each call will keep the supervisor informed as to the agent's activities and the agent kept conscious as to what is required to close business. At the end of each week a report will indicate the progress that had been made and will serve to keep the agent time control conscious.

d. Agency meetings should be held

at least once each week to present and discuss actual cases, hold sales demonstrations and promote enthusiasm. A "question and answer" session should be included once each month, all questions being presented to the agency in advance, permitting adequate preparation for the answers.

Continued Training

e. Continued training. After agents have had a taste of prospecting, interviewing and closing, they appreciate more than ever the many barriers that must be cleared in doing a good job. They realize continued study is necessary. The supervisor can assist in directing this study, by making available textbooks, periodicals and bulletins.

The general agent has a right to expect of you effective results with the new man. The agency has recruited additional man-power to increase the production, profits and prestige of the agency, and put the new man in a position to earn a greater income than he gives up to enter the field. The general agent looks to you to carry out the whole program. He expects you to impart essential knowledge to the recruit, to develop in him a skill in selling, to develop work habits, to teach him how to get along with people, how to control his own time, how to sustain his efforts, and to be continually rehearsing methods of improving all of these factors. The general agent expects you to instill in the man enthusiasm for the job, desire for greater accomplishments, and a spirit of cooperation.

What Company Expects

Your company expects you to develop men who will measure up to the standards of its field force. The company expects you to develop men who are loyal, enthusiastic and productive.

I shall tell you what would be my ideas upon entering into the program already laid out for me, if I were the supervisor; and what qualities I would feel I must possess.

I must believe in the program laid out for me, and I must believe in the principles of the agency. I must accept the program and carry through.

It is impossible to have the general agent operating on one program and his assistants on a different one. There must be an agency plan for which the management as a whole is enthusiastic. If there is dissension in leadership it will affect the new man and the entire agency. I must teach this new man loyalty to the business, teach him and show him and prove to him why he should be proud to be a member of my organization, why he should be proud to be in the business. Teach him and

show him why he should have loyalty to his company and general agent.

Keep Close Check

I must keep a close check on all the men under my supervision, not only on their volume of production, but on how close they come each month to earning enough money to cover the minimum living requirements.

I must impress upon the members of the agency my willingness to discuss their cases with them. To help them qualify their prospects, particularly those to whom they are devoting a lot of time with no apparent results. I must indicate my desire to analyze their approach, presentation and close, in order to find the possible reasons why a sale did not result. When I am able to make suggestions for improving the agent's technique, I must be willing to help with the closing of business in order to demonstrate to him that I can be depended upon to direct him in the right way. I must qualify as a big brother.

I must convey a spirit of kindness and understanding toward the new man. While tolerance is necessary, the agent must show a willingness to follow my instructions and cooperate with me. When he fails to produce, as well as to heed my recommendation, then I must have the courage to bring about his dismissal.

I must not overlook the fact that this is a big job. You have to be able to hold up your part to stay in the game.

How do we go about this job?

a. Reveal the way—which means that the supervisor must be experienced himself.

b. Stir the recruit into action. I must go out into the field and actually do the job with the man.

c. I would teach the new man financial soundness. Salesmen are not always good business men. It is our job to help him learn sound personal money management.

d. Teach him how to sustain his effort.

Set Up Standards, Objectives

e. Set up with him, standards and objectives.

f. At all times be thoroughly honest with everyone concerned. Be honest with the man, your general agent, and yourself in eliminating the unfit. Successful agency building is almost as much subtraction as it is addition.

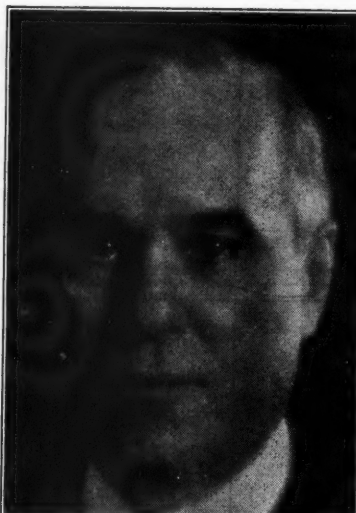
g. Have patience and tolerance.

h. Take proper cognizance of your responsibilities to these men who look to you for knowledge and training and direction. Recognize your opportunities in this business and have objectives of your own. Be a student of the business.

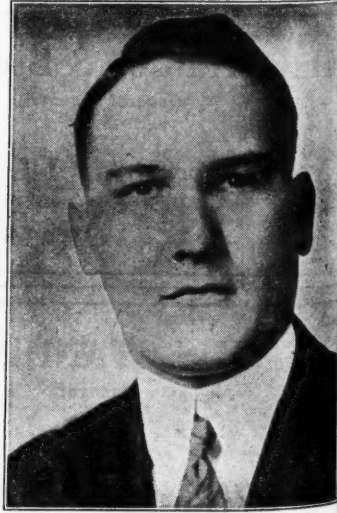
Trio of New National Trustees



ISADORE SAMUELS, Denver
New England Mutual Life



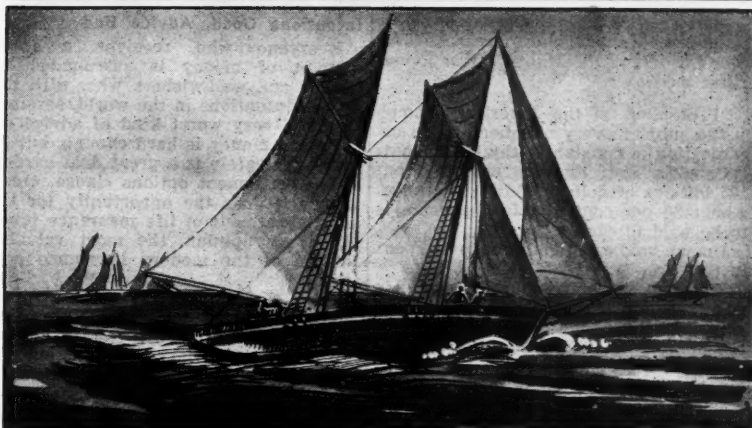
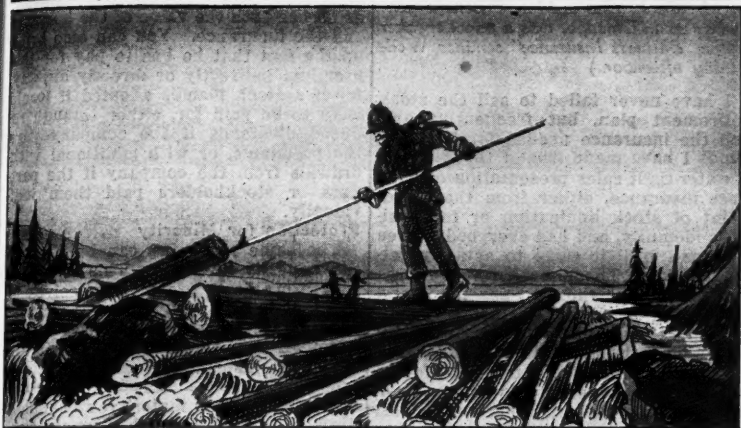
HARRY T. WRIGHT, Chicago
Equitable Life of New York



JOHN W. YATES, Los Angeles
Massachusetts Mutual Life

PORTLAND

SEATTLE



PORTLAND and SEATTLE

Send greetings from the Great Northwest to the 48th annual convention of the National Association of Life Underwriters now in session in Denver. The agencies listed here have always been staunch supporters of the N. A. L. U. and will continue to do their part in helping to better the institution of Life Insurance.

L. F. LARSON
GENERAL AGENT

Northwestern Mutual Life Insurance Co.
MILWAUKEE, WISCONSIN

1309 American Bank Bldg.

Portland, Ore.

MECKLEM & PARKER
GENERAL AGENTS

New England Mutual Life Insurance Co.

214 Corbett Building

Portland, Ore.

ELMER F. PETERSON
GENERAL AGENT

State Mutual Life Assurance Company
of WORCESTER, MASS.

Suite 1031 American Bank Bldg.

Portland, Ore.

George W. Schoeffel, C.L.U.
MANAGER

Home Office Agency

Oregon Mutual Life Insurance Company
Portland, Oregon

HUGH S. BELL, C.L.U.
GENERAL AGENT

Equitable Life of Iowa

1411 Fourth Ave. Bldg.

Seattle, Wash.

JOSEPH P. MULDER, C.L.U.
MANAGER

The Mutual Life Insurance Company
of NEW YORK

1411 Fourth Ave. Bldg.

Seattle, Wash.

HARRY J. STEWART
SUPERINTENDENT OF AGENCIES

Northern and Inter-Mountain Dept.

West Coast Life Insurance Company
SAN FRANCISCO

1411 Fourth Ave. Bldg.

Seattle, Wash.

CHARLES C. THOMPSON
MANAGER

Metropolitan Life Insurance Company
NEW YORK

311 White Building

Seattle, Wash.

Income Settlement Assures Protection for the Home

By CALEB R. SMITH

(Mr. Smith, who is district agent, Massachusetts Mutual, Ann Arbor, Mich., gave this talk at the Million Dollar Round Table meeting.)

"Protection to the American Home" is the subject every member of this organization is constantly thinking about.

Consider that there is now in force 105 billions of dollars of life insurance. About 80 per cent of this huge sum is to be paid in cash.

I mean cold cash, and it is to be spent in the same way—cold cash.

Who are the beneficiaries under this vast sum of insurance?

In 1936, 18,000 policyholders died and the companies paid out 54 million dollars to their beneficiaries. Equally as much will be paid out in 1937.

Is this not proof enough that life insurance continues to be the most stabilizing force in the United States today?

How can anyone deny the fact that this is the greatest benefactor known for the protection of the American home?

American Woman's Place

The woman of America has rightfully taken her place in American society, politically and economically. She has also taken her place in our financial life.

Women are the beneficiaries of 70 per cent of the vast amount of insurance in force in America.

If insurance is properly presented to them, it can be the greatest of all contributions to the happiness and peace of mind to all American people in protecting the American home.

It would seem like a joke for me to even suggest to the members of this group how to place their insurance where it would render the greatest protection to the American home.

However, I do believe we can help our little brothers a lot—those who are writing small amounts, to place their insurance on the income plan.

In other words, I want to emphasize here that we should insure our insurance.

It is necessary to emphasize the needs of such an opportunity. The press is full of stories of the various schemes whereby people of little finan-

cial experience lose money that has been left to them.

Intentions Good, Advice Bad

Everyone who receives a large amount of money is surrounded by friends and well-wishers who, with the best of intentions in the world, so often give the very worst kind of advice.

Saving money is hard enough, but investing it safely is a great deal harder.

The settlement options clause, creating as it does the opportunity for the safe investment of life insurance funds is, in my opinion, the most valuable feature of the modern insurance contract.

From the point of view of the representative, it is worth remembering that nothing has been more clearly demonstrated than the fact that the constant selling of income insurance will result in larger policies, less frequent lapses and better sales in every respect. Such considerations alone constitute one of the best reasons why income insurance should be sold.

Difference in Average Policy

In a group of a certain company we find that the policies payable in one sum averaged in amount \$4,500, whereas the income policies making up the rest of the same group average \$6,800—over 50 per cent in excess of the one sum policies.

It is a rare case where an agent has to send back an income policy as undelivered business.

In order to sell income insurance, however, the representative must thoroughly believe in it himself.

You wouldn't think very much of a doctor if he told you you needed \$100 worth of medicine, yet that is the exact proposition you make to the prospect when you offer him a lump sum insurance.

There are so many ways of increasing a man's insurance by talking income rather than lump sum.

I could tell you a dozen different cases where I have gone to the insured who only had a small amount of insurance in force.

Had I said anything to these men about taking additional insurance, I am sure I wouldn't have gotten to first base.

I go to these men with a new idea, that is, it is new to him because only a small percentage of the laymen think of insurance in terms of income.

I call his attention to the fact that I have come to him to talk about insuring his insurance.

His curiosity is aroused and he usually says, "What's the big idea?" Or, "What's the catch, anyway?"

I tell him his insurance is paid in a lump sum and in all probability would be spent within a few short years.

I suggest that the policies be grouped together with the exception of a small amount and paid on the income plan.

Invariably, this brings up the subject of needs—the very thing I want him to talk about.

With very few exceptions, such as insurance for business purposes, inheritance taxation and the so-called clean-up fund, insurance should be sold on the income plan.

If we do this, the purpose for which life insurance has been written will not be defeated and we will be rendering a greater service for the protection of the American home.

Pacific Mutual Dinner Is Attended By About 125

About 125 attended the Pacific Mutual dinner in the Brown Palace Wednesday evening. The head office was represented by William Brelby and D. C. MacEwen, superintendent of agents.

Compromises Necessary in Business Insurance

By PAUL W. COOK

(Mr. Cook, who is Mutual Benefit general agent in Chicago, was a panel speaker at the "Business Insurance" seminar Wednesday afternoon.)

I have never failed to sell the stock retirement plan, but frequently can't sell the insurance needed for it. Many times I have made what I thought was a water-tight sales presentation of business insurance, either from the standpoint of stock liquidation or for business indemnity, and had everybody agree with me until it came to actually getting action. The situation was there; the money was there to pay for it and all parties seemed to be in favor of it.

I think we allow ourselves to slip into this attitude because looking at a business picture from the outside we see each man connected with the business working with apparent enthusiasm and harmony with all other members of the organization. However, as you probe into the actual viewpoint and motives of the different members you will generally find that all is not as harmonious as it seems to be on the surface, and while each one is willing to work cooperatively with the others, he really thinks he is not getting his full share of the proceeds or his full share of the credit, or that he has not as much voice in the affairs of the company as he really should have. Therefore, after making the presentation where we assume that each man doing a certain job is the best possible man for that job, and where we assume further that the other members of the firm think that he is, we must realize that frequently the minority interests feel that they have been imposed upon by the majority interest and in turn the majority interest feels that he is really paying the minority interest more than the minority deserves, and that the majority has really carried the minority along.

Satisfying the Ego

In talking with the majority interest it is up to the underwriter to encourage the person to believe that all he thinks of himself is true, and that he had better have a method of liquidating his stock so that when he is taken away from the picture, his estate won't suffer the loss which would probably occur to the business. On the other hand, it is frequently necessary to get the minority and weaker interest of a company to one side, one way or another, and explain that inasmuch as he is the minority interest he is really at the mercy of the majority interest and that it is important that he have some plan to liquidate his interests when he gets out because it would be so easy for the majority interest to wreck the value of the minority share of the business and squeeze his heirs out. It is up to us to make our sales talk so it will appeal to the selfish interests of each man.

Business insurance ideas sell more life insurance than any other sales ideas. The danger of them to the salesman, however, is that he will allow himself to get so captivated with his pretty plan that he won't be able to adjust himself quickly enough to a compromise plan. It is easier to sell three men three individual plans than it is to sell three men the same plan as fitting all three of them. For instance, if you see that there is too much resistance to put over a business insurance plan with all members, then the play is to quickly shift to a personal insurance sales idea and show how any man, either majority or minority, through personal insurance can really protect his situation. The majority interest can carry personal insurance to

the extent of his interest and then at his death the executor will still own the controlling interest in his business and he can run it or sell it or liquidate it and whatever he has coming from it his estate can have, and at the same time he would have as much money in his insurance as he would have under a stock liquidation plan, so he may be better off from the selfish standpoint, as he has both the value of the business and the insurance. You can also bring up the fact that he has to pay for this premium indirectly or directly anyway, for if a stock plan is adopted it would have to be paid for, either through reduced dividends if the company pays the premiums, or with additional withdrawals from the company if the partners or stockholders paid them individually.

Protection for Minority

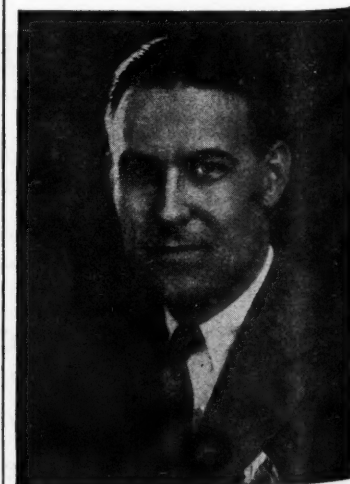
The same reasoning can be used on the minority interests. This is to say, they are able to protect themselves up to the extent of their interests whereas they wouldn't be able to pay enough premium to liquidate the majority interest by insuring the majority stockholder. You can also point out the fact that should the majority stockholder die they are in a much stronger position to negotiate with his estate for a real voice in the management and for adequate salary and dividend rate, as it is impossible for the estate to run the business and they have only two sources of possible buyers—survivors and competitors—and it is probable because of this that the minority stockholder will be in a stronger position than he was before the majority stockholder's death. You might intimate that he might even pick up controlling interest at a bargain whereas if he had a stock retirement plan he would have to, directly or indirectly, by the payment of large premiums, pay a high price for every share of stock he bought.

We are salesmen and not missionaries, and our job is not to convert people, before the sale at least, to a proper and equitable and just method of handling their stock interest. Our first job is to show the uncontrollable hazards in business and the danger to each stockholder in not having some plan of liquidation and hedge.

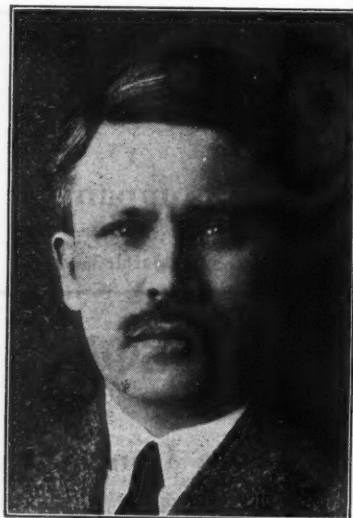
Finances in Good Shape

The annual report of Treasurer Robert L. Jones showed the finances of the National association to be in excellent condition. Assets increased in the past year from \$94,672 to \$103,745 and surplus from \$54,247 to \$64,257. The gross income for the year was \$95,577, as against \$93,108 the previous year. Expenses were \$85,608 against \$85,321.

In Line for President Of National Association



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Manager
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Agent With Poetic Heart Can Reach Any Type of Prospect

Big and Little Shots Look Alike to Salesman Who Knows Common Denominator

By JOSEPH M. GANTZ
Pacific Mutual, Cincinnati

I am for more education in life insurance. I am for C. L. U. I am for merchandising life insurance as the evolutionary next step rather than in opposition to the professional viewpoint. Life insurance, like any other thing, goes through a period of discovery, a period of missionary work, and finally, in our modern civilization, reaches a period of commodity acceptance by the people.

With the American frontiersman changing from the farm and the frontier, where he did his own work, to an industrial civilization, life insurance was not discovered, it was inevitable, it was necessary. And that lasted from 1900 to about 1914 or '15. Then along came the war and the government put a value on the humblest soldier of \$10,000. That was the beginning of what I choose to call the missionary period, from then to about '30 or '35. We went out and told people about life insurance, what it was, what it would do, settlement options, how to leave it, and proved our case from then on to '35, and especially between '31 and '35.

We drink more milk a thousandfold than we used to, because of missionary

work. We use electricity because of missionary work.

When I was born, fine women never gave birth to their children except at home. Hospitalization is the accepted thing today because of the missionary work on the part of the physicians, because it is more practical now that we do not live in the same community and Aunt Jennie can't come in and Uncle Jake can't help out, and you live in two-room apartments.

Insurance Is Accepted Thing

Life insurance, for the large bulk of the American public, is an accepted thing. Every person, more or less, has a concept, a prejudice, a belief, an idea about life insurance. Now, they do not always have a correct one, a desirable one, or undesirable, but they have an idea and we, as life insurance men, are still in the missionary period.

I think perhaps we preach too much and sell too little. A merchant is interested only in what will sell, of high quality. If short dresses will sell, he wants high quality at the right price, and that is what he will buy. I think with a life insurance man the temptation is to sell what you think he ought to have. If a life insurance man puts a dress out in his window that he thought the public should have, if they did not buy it, he would still keep it there. The merchant pulls it out. The life insurance man would keep it there until it became soiled, then he would get it dry cleaned; then when it wore out, he would have a duplicate made.

Virtuous but Penniless

I believe that a man who will buy \$5,000 ten-year endowment as against \$20,000 ordinary life that he should have, is a much better man than a man who won't buy any, and I have done something for that family if they

Classes Life Insurance Selling as Merchandising



J. M. GANTZ, Cincinnati
Pacific Mutual Life

have the \$5,000. I cannot do wrong if I let him buy life insurance, but if I compete with stocks and tell him how dumb he is to go into stocks, how silly he is to buy real estate, and how crazy he is to have a car, and how nutty he is to have a home, and life insurance is the only virtue, I always have a feeling that I have been virtuous, but I never seem to have any money.

On that subject of money, the one peculiar characteristic about life in-

surance men is that, in a crowd of this size, there are usually about two or three of them who are in it for the money and the rest are in it for love. I am addressing these remarks to you two other guys. I believed that when I first went into the business, and then one day I told the milkman that I was in business for the service I was rendering and I was in a great business, and would he please leave the milk anyhow. If you think it's funny, you're crazy, because he didn't leave it and I didn't think it was funny either.

Men Paid for Doing Good Job

Then it occurred to me that my job was to make some money in this business or get out of it. And I discovered that when men did good jobs, they somehow are well paid.

The hard thing in this business is to fail. The life insurance men of America have made the greatest record of courage and achievement to refuse to make money for their families of any people in the world. It is hard to fail. It is easy to succeed, if you give yourself a chance. The people want what we have, but don't do it your way.

I think the first thing you are going to have to do, as a merchant, is to recognize the fact of what kind of people buy your goods, where is your corner, who are your customers, how do they react? Well, then, you bring yourself immediately to a reclassification of the so-called types, which is the commonest way to start with your customer.

I am going to ask some of you to help me out here and suggest some of the types that are so commonly accepted. What are some of the types of buyers? Come on, you guys—I don't get any more pay for this than you do. (Price Buyers.) There is a definite buyer who buys by price. "Procrastinating," says Scott. (Brother-in-law)—he buys from his brother-in-law—he has to pay the bills, you know, take care of the wife if he does die. What other type? (Investment type.)

Extreme Types Are Posed

Let's get extreme types here. At one end is what kind of a fellow? Selfish. Unselfish. Let's translate it another way—"tough guy"—anybody here know about that type? What is the other kind? "Softies." All of those, and in between there are hundreds of types, all of them classified, all of them are in your book, and for each one you have a definite answer. I wonder if we can test these types and see if we can do something about them. These are our customers, these are the men for whom we are going to have to put something in our showcase.

Let's take the extreme type of buyer, let's take the "softie," and let's send him a "Three Star" telegram—an announcement of death. I am going to have it read: "Mother died one-thirty this morning. John."

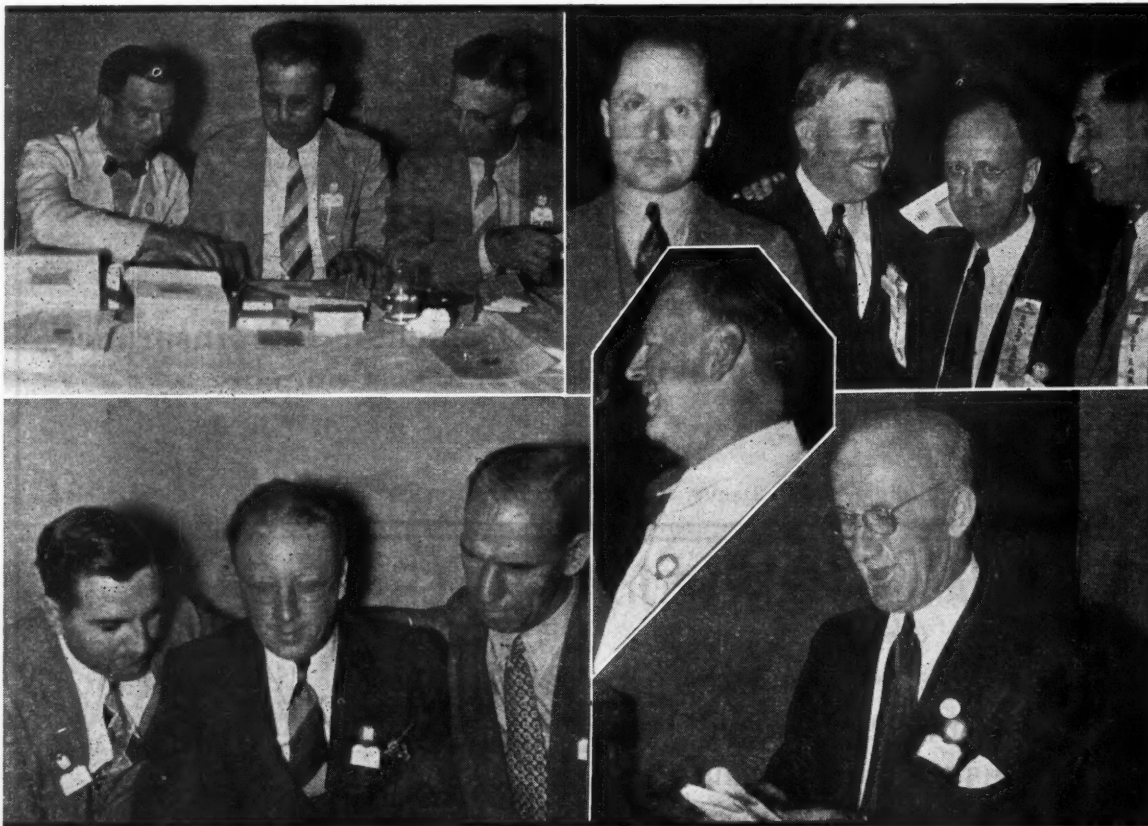
I wonder what a softie does when he gets a wire like that. I wonder if he does not do the things men have always done. I wonder when men face that one experience in life when life's greatest single gift has passed out of his life never to recur again, when no high place, no honor, no distinction will ever equal the distinction of this thing called "mother." I wonder whether he does not just let go and cry as he did the last time he remembered when he was in her arms, just an infant, because his mother is gone. Is that what "softies" do? Yes.

Same Wire to the "Tough Guy"

We are going to send the same wire to his brother—the "tough guy." Because he is a "tough guy," I know what he does. He is just the opposite of this man. He rings the bell, his secretary walks in, and he says: "Miss Jones, I am leaving the office. I will not be back for four or five days. I am going out and get 'pie-eyed' drunk. My old lady just kicked off." Is that what the "tough guy" does? Of course, it is not!

When it comes to types, when it comes

Where the Camera Focused



Top row (left to right)—Paul S. Jolley, Travelers, Denver, chairman entertainment committee; D. M. Smith, Travelers, Denver; Earl Taub, broker, Denver. (Inset) E. W. Owen, Sun Life, Detroit; O. L. Hiner, general agent Mutual Benefit H. & A. and United Benefit Life, Salt Lake City; A. H. Good, Jr., Mutual Benefit H. & A., Salt Lake City; Harry Paul, Mutual Benefit H. & A., Pocatello, Ida.; W. J. Pappas, Mutual Benefit H. & A., Salt Lake City. Bottom row—W. C. Ulrich, field supervisor; R. C. Millar, field supervisor, and Paul A. Parker, superintendent of agencies, all from head office of Old Line Life of Milwaukee; Karl L. Brackett, John Hancock Mutual, San Francisco.

to men as they really are under their skin, when it comes to the things and the reasons for which men buy life insurance, God made only one type. The others just don't buy life insurance. They are decent men with heart throbs in them, and there is a short Anglo-Saxon word for the other "kind," but there are not many of those. Men buy life insurance through the heart. A man buys life insurance because their name is put over the greatest corporation in America, in the little house, that says: "Joe Gantz & Co., Incorporated"—his wife and his child. That

is why men buy life insurance, and there is no other reason for buying it.

I know what you are going to tell me. I know what we debate about as we wear our pants shiny in these rooms of life insurance companies. We debate about the logic of this setup versus the setup here and there. I have heard men talk about the logic of life insurance. I don't see how a man who figures logically and sequentially can keep from coming to the conclusion that life insurance is a good purchase. I don't see how a man can read the Bible, with the intelligence that God

gave the lowest animal, and not come to the conclusion that it is a desirable thing to live by. But they don't. Men do not buy life insurance on logic; logically, it does not pan out.

Let us take a man with a wife and two or three children; a man who works for little money or much; a man who deprives himself of all the joys of achievement in this present period when he is going places, to put money aside for the future good it might do a little golden-haired child who will grow up to be a woman who, if she does not disgrace him, will forget him. To deprive himself of some of the joys

every man is entitled to, to send a son to Princeton or Harvard. And if he is as successful as the father hopes he will be, his son will be ashamed of him. And if the boy is not as successful as the father hopes he will be, the father will never get a chance to forget him. To grow up for the right to come to these successful children and beg them to let him in, to take care of him, when if he had kept his money and had not done these things for them, he could have been independent. You tell me what is logical about that kind of a trick. That is foolish. But God made 'em that way—God made

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them foolish and lovable. Got put poetry in the hearts of the toughest men you ever call on, and that is why they buy life insurance. That is why you ought to give them a chance at least to buy it their way.

If a man is going to give up all of that for life insurance, why give it to him with a sermon? Why preach to him? Why insist that he buy it your way? What he wants to hear is the self-satisfaction that comes from all poets—he wants to read his poem, not yours. He wants to read that poem where it says his little girl; he wants to read where his son was the best possible piece of freshman material for the varsity team next year. Not your company, not your net cost, and not your self-sufficient virtue.

Adapt Self to Customer

You are probably saying: "How are you going to do that? What is the technique?" Well, there isn't any particular technique. Just a little observation of handling people as merchants always do and adapting ourselves to our customers, and a little appreciation for what we choose to call the dramatic technique or aspect.

What we forget is that the play is about the prospect, and not you or your company.

"I want to tell you, Mr. Jones, about the Pacific Mutual Life Insurance Company and their net profit, their policy, what they have to sell, and Joe Gantz, and what a good man he is. We have a fine office on the twenty-third floor, and sometimes I pay my bills." So what? And the one thing you can never hear is this poor devil's name—that is the only thing you never hear.

The girls know what I am talking about. A girl always lets you think you are wise and when you walk home you say, "Gosh, she's smart. I talked to her from eight to one, and is she a clever conversationalist! Is she smart!" You know what happened—she said, "Oh, yes, isn't that so?" One day I ran into one who really wasn't. You know what I said when I got home? "I bet she is a Phi Beta Kappa, and I hope I never see her again."

How Big Is the Big Shot?

If we believe in the idea of a common denominator and one single type, that God made all men similar about the fine things they do in life, we ought to measure that against the fear of talking as equals to the so-called "big shot" that everyone seems to be afraid of, and being so careless about the "little shot," the punk who makes very little money. Let us see just how big the "big shot" is.

The hardest thing is to recognize that all men are the same. Whenever you try to see the "big shot" who cannot be approached because he is so busy making money, remember that just a few years ago you could not approach him because he was not making any. The fun in this business is that I am always at the giving end and I pay off when everybody wants to collect. I want to remind you that life is not so simple for the "big shot." These men who make a lot of money and seem so busy are just a bunch of boys with more veneer than you have—the veneer to protect them as they pretend to be big, tough, ferocious soldiers in the battle of life. They are just as scared as you are. They are the fellows who do a lot of yelling in the dark.

No Problems at All

Take the man who is the head of a large corporation today. Being president, he has no problems at all. In the morning he goes to his office; all he has to do the first thing in the morning is to meet the walking delegate of the C. I. O. or what have you. All he has to do is wonder whether the raw material supply is plentiful and whether it is going up or down next week. That is all he has to know. He does not need to do much for his stockholders except to make a suffi-

cient dividend in spite of increasing taxes. All love him because he is president; and he has very little to do around the office except sit in the office and raise pay. And then he goes home. As he walks up to that castle where peace always reigns and quiet soothes his nerves, when he enters that domain, his wife gets down on her knees to thank God for what she drew—not much. Is that what she does? No! She says: "Hello, darling, are you tired?" He says: "Yes." And as he starts for his room and slippers, she says: "That's too bad. I wish you would go upstairs and dress because we are going out to dinner." And he looks like the boy who got there too late for the huckleberry pie. Being the big shot, he does what he is told to do, and being successful and the father of a family gives him something to reign over. So his daughter puts her arm around him and says, "Hello, daddy, when can I have my new coat?"

Just then a voice is heard from the recreation room and Junior says: "Hi, governor, what about swapping my Ford for a new Chev? Jack's father swapped his."

A "big shot" has no troubles and needs no economic security. They do not need to prepare for rest in their old age, and they are the kind of guys who do not care what happens to their wives and children. They are the men who do not believe that the man on the top today is other places tomorrow. The reason they say that is because they are not sure you believe; but no man is ever sacrilegious in the presence of good faith. No man is ever anti in the presence of real poetry, and I want you men to realize that in the springtime if you have a poem pressed inside your pocket and you are afraid to show it to other men, please remember that the tough guy you show it to may be a poet also, because, under their skins, all men from six to a hundred and six have always played the hero in their own minds. All men from six to sixty-six have always wanted to go to the tournament to hurl a lance for the blue-eyed, golden-haired Gwendolyn of their dreams. So much for the "big shot."

Unheralded Hero of America

And for the little man we have always thought, perhaps, not worthy of our attention because he makes only 35, 40, 60 or more dollars a week. He cannot buy much. I wonder if he is not somebody to be concerned about. I wonder whether he is not the man who carries our 104 billions of insurance. I wonder whether basically and actually he is not the unheralded hero of America. I wonder whether in the springtime as he leaves his small apartment on time and goes to work in the morning to his uninteresting job in the foggy, besmoked city of yours, he ever dreams of going to the country where the sun shines, where boys of all ages in the springtime like to throw off their shoes and have their feet kissed by the wet dew on the grass. I wonder whether in the fall when God paints the leaves red for their last act, he would not, like all men, want to be a stowaway on a streamer and go to the Never-Never Land. I wonder whether, when he gets that raise, he will invest it in that fishing rod or reel he has dreamed about, or whether, as it so often happens, it will go into a tonsillectomy for little Mary, or new glasses for little Jimmy. I wonder if he is not the backbone of America, having taken care of his family and paid his bills. I wonder whether he is not the father of most of the men in this room. He is the man who makes the fun and joy in this business. Forget the "big shot," because this unheralded hero, this average American, is the backbone of the business—the fun and the challenge.

Chance to Make Real Money

How are you going to contact these men and talk about such things to simple men? Remember that under the

showers all men look alike and a good many tough guys don't look tough.

In this business of swapping future protection for today's dollar, we have a chance to make real money. There will be 43 million dollars paid out to widows. I personally carry a lot of insurance, because I believe in my own merchandise. I carry as much as any man in my territory, because I believe in it.

When you boast of the good you do and the good you have done as an industry, please be humble. Ask God to forgive you for the sins of omission and don't be so proud of the good of commission. Think of the thousands of men and women who do not have it, because you insist on preaching instead of evangelizing. Preaching is an informative thing, the assumption being that the man does not know anything. Evangelizing is based on the theory that man believes, but he wants somebody to lead him down the proper trail. What we need is evangelism and faith in our business, not didactic, self-sufficient preaching about how good we are. With such a concept we might make a lot of money and have fun in addition.

I have no objection to making money. I must make money to live, to carry life insurance, and, therefore, I must sell a lot, as does every other merchant. Incidentally, this country would be better off if more of it were done.

Life insurance is one of the last bulwarks of the American family. State socialism is upon us; whether you like it or not, it is coming. Then, the only difference between state socialism as it is known in the extreme and the American way will be that the family is still a single unit, and the family is not run on a regimented basis.

I know in Russia, children get better care in most places than some of the children in our slums, but even in the humblest of the slums in America, there is one thing every child gets that he is entitled to, and that is the right to cuddle up to an elder when the thunder comes through the window; he is entitled, when his little child heart beats against him, to run into the arms of some adult who will comfort him and put his arms around him: "Never mind, daddy's got you." "Mother has you. Go to sleep, my son." That is the privilege of having been born in America as against any form of novel ideas in government. Life insurance is the symbol of that. When men begin to disbelieve in the things life insurance buys, America won't be the country you and I inherited.

Ours is not a business; ours is not the prose in the literature of business; ours is the poetry. Ours is not the bleeding in the battle of the market place; ours is the succor, the saving, those who give you courage. I want to leave with you the courage to go

50th YEAR

OUR UNEXCELLED
FINANCIAL POSITION
IS THE REFLECTION OF
CONTINUOUS SOUND
MANAGEMENT BY
EXECUTIVES WHO
REALIZE THAT
INSURANCE SALES
ARE EASIEST WHEN
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on and do a good job, not only for yourselves, but to do a good job because there are important things in the world, of which men never speak, which are never in the headlines. As you read the headlines in your paper, you are impressed with the fact that, geologically, time is a long time and, in the vernacular of the street, "In a hundred years from now, it makes little difference."

Tragedies Vanish With Years

I suppose that over the next hundred years it will make very little difference whether some father dies and leave a family disrupted. I suppose it makes very little difference in history whether some mother has a chance to pass on to her son the chivalry his father hoped he would possess. I suppose it makes very little difference in history whether some mother can give the attention to a man's daughter that she might have the virtue he knew she should. I suppose it cannot make much difference in the passing of the rose of memory as they face the sun sinking in the west, knowing they have done a good job, and maintained their self-respect, the only thing old men have worth keeping.

I think there must be some sentiment somewhere that the important thing to most men in America is whether some boy, in this springtime period when marbles are about to be over and baseball is about to commence; I think more than Spain and the constitution, more than the Supreme Court, it is important whether some boy gets a first baseman's mitt. These things may not seem important to a lot of people who think logically, but to the people of America, men and women, it is important. Go out and tell it, and deserve the things the people of America have trusted you with, the institution of life insurance!

Methods of Obtaining Institutional Publicity For Life Insurance Told

Notable results obtained in the way of getting institutional material on life insurance into local newspapers were described by representatives of a number of associations at the national council meeting in connection with the report made by Frank B. Summers, New York Life, Boston, chairman of the new special committee on publicity.

Mr. Summers emphasized the necessity for having strong and active publicity committees in the local associations and said that good results had been obtained in connection with the material sent out by his committee where such local committees were functioning actively. Among the subjects treated in the releases sent out, issued when the topics were particularly timely, were the aims of social security, life insurance payments in 1936, special estate insurance taxes, the national letter writing contest, a review of M. A. Linton's book refuting the attacks made by defamers of life insurance and the National association's reply to the article published in "Time."

Experience in Kansas City

Dallas Alderman, Kansas City Life, Kansas City, told of the experience in developing an insurance column in the leading daily paper there. He said the best time to have it published is on Sunday, preferably in the financial section, but that having the life insurance material assembled in a separate department bi-weekly or even monthly is better than haphazard publication. He suggested that it is desirable to have on the publication committee

some one who has close contact with the publisher or managing editor of the paper in which the insurance column is to be published. All company and agency news should be cleared through this committee and care taken to keep out non-essential material or boosts. He said that the paper running such a column naturally expects an increase in paid advertising. In Kansas City the home companies and the leading agencies have cooperated in this respect. The association has run one page "ad" listing its members and their company connection, and plans to run three the coming year.

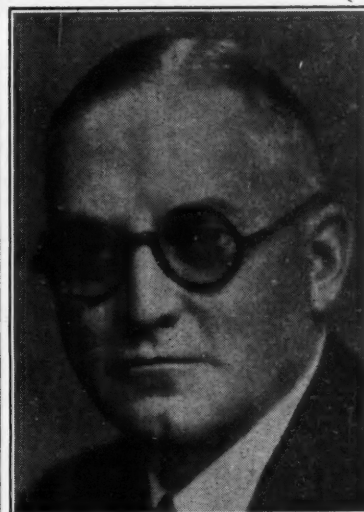
He urged the establishment by the National association of a department to promote this movement.

Newspaper Man Is Speaker

The work done in Topeka, Kan., was described by Lyman E. King. He said the chairman of its publicity committee went to a professional advertising man and secured advice on conducting the campaign. In addition to newspaper publicity, local companies which have radio time have agreed to include in their broadcasts three or four sentences in regard to the work of the National and state associations. Direct mail publicity has been used among the membership in addition to the regular monthly bulletin.

The session was brought to a rather unexpected climax when Mr. King introduced El. V. Chapman, who conducts a life insurance department in the Topeka "State Journal," and who had been in attendance at the council meeting all day. Mr. Chapman explained how his paper happened to give as much emphasis to life insurance as it does. He said that the owner did not like the social security act and, believing that life insurance could do the job better than the government could, has decided to "preach the gospel

Sees C. L. U. Decade Ahead As Period of Expansion



H. E. NORTH, San Francisco
Vice-President Metropolitan Life

of life insurance every week as the means by which men can provide security in their old age." He expressed the belief that life insurance and the newspaper are doing a job that should have been done years ago.

Cummings Gets Atmosphere

Vice President O. Sam Cummings was on the scene early, having arrived a week ago Monday. He absorbed much of the atmosphere before convention time.

A LETTER

to the Agency Force of the
Home Life Insurance Company, New York

To the Agency Force:-

The facts just recently made public show our Company's average sale of \$5,000 during 1936 as being over twice as large as the average sale of seventy-seven leading companies.* For two consecutive years this same high ranking has been ours to be proud of.

You who have made this record possible enjoy a real distinction. It is pointed out by the trade paper which prepared the exhibit of figures that "if two Agents were equally matched in every other respect, the one which wrote the average larger policy would make the larger commissions."

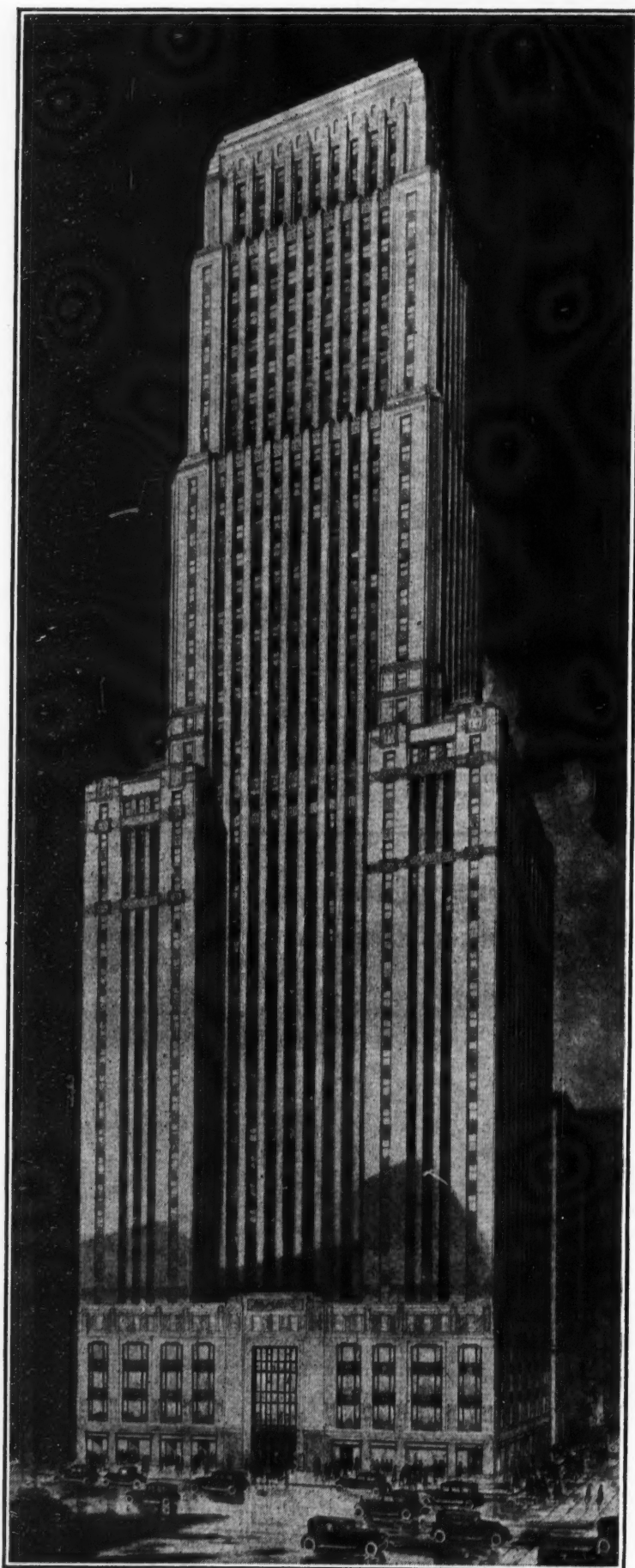
Inasmuch as our Company has had but one - and only one - sales method since 1933 when we originated the Planned Estate idea, we can accurately point to this unique service as the means by which you have been able to make a better living in the life insurance business.

By our continued specializing on the "preferred risk", that high type of buyer who benefits most from Planned Estates, we can confidently expect to continue showing higher average sales and higher average commissions.

Yours very truly,

James H. Feltner
President

*From an exhibit showing the average size of policy sold by 77 leading companies during 1936. Prepared and published by the Life Insurance Courier - July 1937.



ONE LA SALLE STREET BUILDING

An Address of National Prominence

Rates and Floor Plans on Request

L. J. SHERIDAN & CO., Agents One La Salle Street, Chicago

OUTSTANDING ONE LA SALLE

The Life



- TIME -



Time is your most valuable possession. As a life underwriter, your success depends upon the amount of time you spend with the buyer. To save your priceless hours, we have set up a department well qualified to give quick and complete service to brokers and surplus writers.

E. W. HUGHES

GENERAL AGENT

Massachusetts Mutual Life Insurance Co.

One La Salle Street Bldg.
Suite 1616

Chicago, Illinois
Phone RAN 0060

TELEPHONE STATE 3378

ROCKWOOD S. EDWARDS

One La Salle Street
Suite 1914



General Agent

**AETNA LIFE
INSURANCE
COMPANY**

CHICAGO, ILL.

PRESTIGE!

With all the fine qualities it embraces is not a mushroom growth. Like a sturdy oak, it has been tested by the elements of time.

This Agency, for 32 years under the leadership of Samuel T. Chase, our predecessor as General Agent, has enjoyed prestige of the highest order.

This is our rich heritage. It will be our aim to maintain it.

**Charles J.
ZIMMERMAN
Agency**

**THE CONNECTICUT
MUTUAL LIFE
INSURANCE CO.**

One La Salle Street, Chicago

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

WILLIAM M. HOUZE

GENERAL AGENT

One La Salle Street Bldg.

Telephone: Randolph 9336
CHICAGO, ILL.

Uses a Square in Agency Building Projects

CONTINUED FROM PAGE 6

ing power figures of each county, there is either a plus or minus as compared to the actual production, and we show in one column the pluses and in another column, the minuses. These counties' figures are consolidated into district figures, and districts into agencies.

We have prepared maps, showing all the counties above their buying power in blue, those within 10 per cent in green, and those more than 10 per cent behind in red.

But this did not give us the answer we were seeking. What we wanted to find out was why are some counties ahead and some counties behind. When we began to relate the number of agents to the population, we began to find the answer. We found that when we had one full-time agent for every 10 or 11 thousand population, we would be in the blue, or very close to it, and as we decreased the ratio of population to agents, our production went up by leaps and bounds, far above the buying power figure. While, on the other hand, if we began to have one agent for ever 15,000 people, 17 thousand people or 18 thousand people, we began to fall far below our buying power figure. We wanted two part-time agents equaling one full.

Mapping Agency Distribution

We prepared maps showing the location of the agents, by counties, a gold dot for a club member (\$100,000 volume, \$3,200 premiums, 12 cases), a blue dot for a full-timer and a half blue dot for a part-timer. This visualized our agency distribution. We colored the counties in red where there were no agents, and we invariably found that the county in red having no agents was also much below its buying power on the other map. But it gave us a chance to spot our weak points and correct them, and recruit where agents were needed the most.

The relation of buying power figures and agents to population seems to be the same in both country and city territory. This buying power analysis and ratio of agents to population is valuable in recruiting and in the discussion of the territory with present agents. In recruiting, you can point out to the new, prospective agent what the possibilities of his particular territory are with relation to buying power. The buying power figure is the least to be expected from the territory. It gives him a vision of the business that can be produced just as an average figure. With the old agent, it is helpful because, sometimes, you have the "dog in the manger" type who does not want any other representatives in his territory, and it can be easily pointed out by actual results in other counties, that more representatives mean more business for all and makes the business easier to sell.

Standards of Measurement

The next step is to set up standards of measurements for the agency. We have found many managers who did not have a clear idea of the pattern of an agency. They did not know, for instance, how many agents on an average it takes to produce a million of business; the average number of club members per million; what percentage of the personnel would be club members; what percentage should come from new organization; what the turn-over figure should be; how many interviews it takes to get a new agent and how many of them stick.

Key Questions Are Posed

A study of a number of agencies during the last eight years has given us an answer, but not the answer to most of these questions, and allows

us to guide the manager in the selection of his objectives on a reasonable and fair basis to himself, his agency and the company.

Here are some questions, the answers to which can be averaged, to establish various pars for gauging performance of the different agencies:

How many agents to produce a million of business?

How many club members per million?

What per cent of the total personnel are club members?

What per cent of the agency business is produced by club members?

What is the average production per club member?

What is the average production per non-club member?

What per cent of the volume and premiums should come from new organization—we mean men in their first contract year?

What percentage of producers should be new organization and what should be the turn-over figure?

Number of new agents appointed and club members?

How Many Produce Monthly?

What percentage of your agents produce each month?

Number of prospective agents interviewed?

In setting up an agency pattern, it might be well to learn the average cost per agent, what the average cost per thousand of club member business is, as compared to the average cost per thousand of non-club member business.

We believe the manager should have a long range and a short range plan. The long range plan should be over a period of at least five years and should take into consideration volume, premiums, new organization production, club members, number of agents to be appointed, number of agents at end of each year, number of supervisors, etc. Then, each year can be taken and broken down into specifics.

In life insurance selling, there are the package and the program methods, and we believe in agency building there are the same two methods.

Package Method of Building

In the package method of building, the manager has no idea, or just a vague idea, of the component parts of what it takes to produce a million dollar of business.

In program agency building, the problem has been analyzed and has been broken down into specifics. This should be broken down further by quarters and checked each quarter. Each part should be checked. It is not sufficient to achieve the program laid down in volume and premiums alone. If there is a weakness in number of club members, percentage of new organization, percentage of new organization producers, number of men recruited, etc., sooner or later you will have a problem with volume and premiums, as all factors are inter-related.

Checking is essential with the agency and supervisors.

There is a law of averages in agency building and management. The smart manager will work with these laws and not against them.

It Isn't So Much the Music As Musicians That Counts

Thanks to the Houston and St. Louis delegations, both of which were seeking the 1938 convention, the conventioners were serenaded from breakfast orange juice until night cap time. A Latin trio, featuring something especially entrancing in the way of a castanet operator, started the music in the hotel breakfast rooms Monday morning. That was the Houston attraction. Soon a Negro quartette in overalls began to perform to prove that St. Louis is the best. That was poor competition against the castanet operator, so the St. Louisians canvassed the town and employed something especially en-

trancing in the way of a song bird and from then on the competition was on more even terms. Monday evening the St. Louis and Houston talent kept the hotel lobby warmers well entertained.

Duff Built Big Insurance Estate by "Painless Method"

In introducing W. M. Duff, president Edward A. Woods Company, of Pittsburgh at the Million Dollar Round Table, Chairman Grant Taggart commented that while the average life insurance carried by members of the round table is \$125,000, Mr. Duff has shown that he practices what he preaches by carrying \$475,000.

Mr. Duff said that when he first entered the business the late Lawrence Woods insisted on his taking insurance. Mr. Woods suggested \$5,000 and he wanted \$5,000, so they compromised on \$2,500. When he got a raise, he received half of it in cash and the other half in life insurance, so that his early insurance estate was created largely by the "painless method."

He suggested that it might be a good thing for his agency to have him away; as he had received a telegram since reaching Denver advising him of a one-

day production of 333 applications for a total of \$1,073,000.

Karl Gumm, National's Man

Karl Gumm, assistant superintendent of agencies, is the head office representative of National Life. He came from San Francisco, where he has been operating the general agency since January. About a month ago he appointed S. C. Martin as general agent there, so Mr. Gumm is now ready to head back east.

Hamill Official Delegate

Attending his first convention as national committeeman of the San Francisco Life Underwriters Association, James M. Hamill, Equitable Society, is pursuing the same clarity of thought and action which has marked his many years of service with the San Francisco group. Serving for years as chairman of various committees and events of that organization, Mr. Hamill was last year chairman of the business practice committee following his 12 months' term as president.

Just before leaving San Francisco for Denver, Mr. Hamill was elected national committeeman for the three years term.

Facts and Figures That Speak

Keeping "Quality, Service, and Safety First"

—has characterized the progress of the INDIANAPOLIS LIFE INSURANCE COMPANY, a Legal Reserve, Mutual Insurance Company since its organization in 1905.

A REMARKABLE SEVEN-YEAR RECORD

From Dec. 31, 1929, to Dec. 31, 1936

ASSETS INCREASED	78.4%
Assets, December 31, 1929.....	\$10,455,621.25
Assets, December 31, 1936.....	16,649,487.22
Increase	8,193,865.97
SURPLUS INCREASED	89.8%
Surplus, December 31, 1929.....	647,030.55
Surplus, December 31, 1936.....	1,228,580.25
Increase	581,549.70

In addition to these gains, the Company paid \$11,314,144.58 to policyholders and beneficiaries during these years.

SPLENDID PROGRESS IN 1937

A Few of the Gains Made Jan. 1 to June 30

GAIN OF INSURANCE IN FORCE (Paid Basis)	\$ 2,831,612.00
Making TOTAL INSURANCE IN FORCE (Paid Basis)	103,598,741.00
GAIN IN ASSETS	960,745.09
Making TOTAL ADMITTED ASSETS	19,610,232.31
MORTALITY continued very low, only 36.8% of expected.	
A complete kit of policy contracts to fit modern needs.	
Children from birth, adults to 65.	

Indianapolis Life Insurance Co.

A Quality, Legal Reserve, Mutual Company, Organized in 1905

Operating in Indiana, Illinois, Michigan, Ohio, Texas, Iowa, Minnesota, North Carolina, California and Florida

EDWARD B. RAUB,
President

A. H. KAHLER
Supt. of Agents



GREETINGS

To the National Association of Life Underwriters, meeting within the shadow of Colorado's magnificent peaks which so aptly symbolize the strength and permanence of life insurance, we Managers and General Agents of New York City extend our cordial greetings.

Picture courtesy of Union Pacific Railroad



THE LUTHER-KEFFER AGENCY
Aetna Life Insurance Company
 KENDRICK A. LUTHER—ROSCOE H. KEFFER
 GENERAL AGENTS
 100 William St.—51 E. 42nd St.
 NEW YORK

CLANCY D. CONNELL
Provident Mutual Life Insurance Company

99 John St., New York
 BEekman 3-6131

RIEHLE AGENCY EQUITABLE LIFE

Equitable Suite
 11th Floor, Pennsylvania Building
 225 West 34th St., New York, N. Y.
 Telephone: LAckawanna 4-4300

The
CHARLES B. KNIGHT AGENCY, Inc.
 GENERAL MANAGER

The Union Central Life Insurance Company
 225 Broadway, New York, N. Y.
 Walter E. Barton, Pres. Paul S. Ranck, Vice-Pres.-Treas.

THE J. ELLIOTT HALL AGENCY
The Penn Mutual Life Insurance Co.

30 Church Street
 New York City



CLIFFORD L. McMILLEN
 GENERAL AGENT

The
FRASER AGENCY
Connecticut Mutual Life Insurance Co.

Hartford, Conn.
 JOHN M. FRASER, General Agent
 149 Broadway, New York
 Tel. BArlay 7-9300

The
JAMES ELTON BRAGG AGENCY
 of

The Guardian Life Insurance Company of America
 50 Union Square

JULIAN S. MYRICK
 MANAGER

Mutual Life Insurance Company of New York
 57 William St.—"The Ives & Myrick Agency"
 Tel. JOhn 4-4800

The
WILLIAM H. BEERS AGENCY
New England Mutual

Empire State Bldg.—New York City
 "Ideas Sell Life Insurance"

Leon Gilbert Simon
 Associate General Agent

MARTIN T. FORD AGENCY
Equitable Life Assurance Society
 225-241 West 34th Street
 New York

Downtown Agency

THE PRUDENTIAL INSURANCE COMPANY of AMERICA

Gerald A. Eubank, Manager
 40th Floor—40 Wall Street
 New York

Clientele Gives Security

CONTINUED FROM PAGE 7

you have justified that confidence by giving complete life insurance service, and helping him establish a sound program.

During an interview is your object to make a sale? Or is it to make a sale in such a way as to also make a client?

Go over your list of policyholders and pick out those whom you want as permanent clients. Then go to those who have not received the best service which you are capable of rendering, including an intelligent program, and see that they get it. Unless you are exceptional there will be several. You will be surprised at how much business you will write in the process of making clients out of policyholders.

Make Client With Sale

Be sure that all new policyholders receive the kind of intelligent service which will make them clients. Make it your objective on every interview to make a client as well as a sale. One of the best client builders I know will spend as much time and effort in handling a \$2,000 case, if it is the prospect's purchase, as he will on a \$50,000 case.

Follow up all clients regularly to see that their programs are adjusted to meet changing conditions, to give them an opportunity to complete their programs, preferably at age-change time, and to encourage them to nominate new prospective clients.

Personal Side of Question

There is a personal side of the question which ranks in importance with the professional aspect. The majority of the insurance is sold to people known to the underwriter. One survey reveals that over 75 per cent of the business done by men selling upwards of \$150,000 per year comes through channels in which the personal element plays an important part. How vital it is, therefore, that this personal element be studied, and understood, and utilized.

Make friends of your policyholders. Make policyholders of your friends.

Adopt some means of constantly enlarging your circle of contacts and friendships.

How to Show Interest

I asked one successful client builder how he was able to get his clients to take such a strong personal interest in him. He said, "That's easy. I take an interest in them first." That seems to be a reasonable basis on which to start, but how are we going to show that interest?

There are a number of methods that are well known and effective. There is the intelligent use of the luncheon hour. Many client builders tell me that the noon hour is the most valuable time of the entire day. They frequently have lunch with their policyholders—not to discuss life insurance, but to talk about the things that the policyholder is interested in. Frequently it is their business. If so, the underwriter learns many intimate details which are valuable to him when the time comes to make a sale. At the same time, by showing an interest in the policyholder's business he finds it easy to get the policyholder to take an interest in his business.

Effective Use of 'Phone

The telephone can be used effectively in cultivating the personal interest of policyholders. If you read that a policyholder has made a hole in one, or been elected vice president of the Rotary Club, or that his company has made a fine record for the first quarter, call him up and congratulate him. If one of his children has been elected class president or has made the football team or otherwise distinguished himself, call him up and comment on it. If he is going on a trip to the West Indies, call him up and wish him a

pleasant trip. The telephone can be used most effectively for these purposes. But it is an easy thing to put off. Get the habit of doing it. Don't expect your policyholders to be thinking about you unless you think about them occasionally, and show it.

The mails can be used in showing a personal interest in your clients and policyholders. The birthday card is well known. Though many underwriters are using them, the majority are not. Sending well-selected clippings on subjects which you know that certain clients are interested in is an excellent way of showing your personal interest in them.

Placing People Under Obligation

One of the most effective means of getting policyholders to take a personal interest in you and your success is by placing them under obligation to you. Some of the most successful client builders make it a practice to bring different clients and policyholders together to their mutual advantage. On one occasion one such underwriter was in conversation with the president of a retail gasoline and oil company. The latter mentioned that his company was interested in a top cylinder lubricant. The underwriter had a policyholder who manufactured such a product, so he brought the two together. The contact was of great advantage to both policyholders, and the underwriter placed two powerful men under obligation to him. The result was two genuine clients and centers of influence—and hundreds of thousands of business on the lives of these men and their associates.

Later this same underwriter noticed that neither of these firms had very effective advertising. A little intelligent boosting at the right time, and the advertising accounts of both firms went to a policyholder who was an advertising man. The result was that the advertising man became one of the best clients and boosters which this underwriter had in spite of the fact that his own father was a life insurance man.

Gets Jobs for Friends

One underwriter made two excellent clients by getting jobs for them. These men were looking for a new connection, and the underwriter knew the heads of two firms who could use men of their talents. Both men happened to be unusually successful, and between them have purchased over \$8,000 in annual premiums and have sent a vast amount of other business to their underwriter.

Another way to place policyholders under obligation to you is just plain boosting. Boosting their business. An underwriter told me a short time ago of a dentist who had become an excellent client. Upon inquiry, I found that the client relationship had been established by giving the finest of life insurance service—and by sending a few patients to the dentist. Another told me of the president of a dairy company who had become an enthusiastic client. The underwriter has worked out a splendid life insurance program for this client—but he also calls him up whenever he hears of a new family moving to town.

Help Clients Get Business

You want the other fellow to help you enlarge your clientele—why not help him enlarge his? Doctors, lawyers, dentists, trust officers, merchants, milk dealers, dry cleaners, laundries, private schools, automobile dealers, and many others all appreciate the occasional boost, and the occasional new customer.

The important point is not so much to discover new ways, but rather to use some of those that are already well known, of cultivating the personal interest of policyholders.

Friends and acquaintances are our

most logical source of permanent clients, and our richest market for the sale of life insurance. Nevertheless, there are many underwriters who are reluctant to call upon their friends at all. This is not so difficult to understand. These underwriters value their friendships highly, and they are so fearful of being suspected of commercializing them that they lean way over backwards to avoid any such suspicion. This attitude reflects a lack of appreciation of the value of life insurance, or of the value of their own services, or both. Anyone who has such a feeling is operating under a terrific handicap, and should have someone resell him on life insurance and what it will do.

Commission Is Embarrassing

One of the characteristics possessed by practically all successful life underwriters is their enthusiasm for what life insurance will do.

One of the things which holds us back in dealing with our friends is the fact that there is a commission involved. We know it, and they know it, and we know that they know it. If it were not for the commission we wouldn't hesitate to go to them and urge them to buy all the life insurance which they could possibly pay for. And we wouldn't feel any embarrassment either.

However, there is a commission. And perhaps that's too bad. But does it alter the situation? Does it remove our obligation to show our friends what life insurance will do for them? They need life insurance just as much as anyone else, and they will buy it from someone. Who is in a better position to help them than we are? We know them, their families, their problems, and their ambitions.

Technique With Friends

Assuming, then, that we are to call on our friends, how should we do it? I find that a tremendous number of underwriters do it just about 100 per cent wrong.

Suppose I call upon a friend for the purpose of selling him life insurance. After the usual greetings I bring up the subject, but because the prospect is my friend I do it quite diffidently. I am embarrassed. I high-spot my presentation and present my plan without much force. And then I make little or no attempt to close. That may sound exaggerated, but I assure you it is typical of many interviews.

I don't make a sale—because that is not how life insurance is sold.

I lose the respect of my friend as a life underwriter and as a business man. He pities me and wonders how I make a living anyway.

Not in Market Now

Being a friend of mine, he doesn't want to let me down too hard, so he says something like this: "Bob, I'm just not in the market for life insurance right now. I'll tell you what I'll do. Some day I expect to buy another policy, and when I do I'll buy it from you." I feel somewhat encouraged by this. He's a better prospect than I thought he was. So I get out the little book and make a note to see him in 30 days.

Thirty days later I go back and repeat the performance with about the same result, and I mark him ahead another 30 days. And I go back and back until I have really earned the epithet that is sometimes cast our way, of being a pest. I have been a pest.

Goes the Whole Route

Suppose that before calling on a friend I make up my mind to go the whole route with him, and be just as thorough as I would with any stranger. I present my plan completely and intelligently and as forcefully as I know how. And then I make a determined attempt to get action. I exhaust the possibilities of the interview.

I may make a sale, because that is the way life insurance is sold.

Phil Hobbs Is Forced to Break Life Time Habit

Phil B. Hobbs, Equitable Society, Chicago, normally rises each day at 12 noon. His friends never try to reach him at his office until about 2 p. m. Tuesday morning in Denver he was requested to attend a breakfast meeting of the executive committee of the General Agents and Managers section, and since he was slated to be elected later in the day as chairman of that section, he concluded that he should make the supreme effort of assuming the vertical at 8:30 a. m. This he did with the result, he fears, that his schedule may be permanently altered. In order to guard against such a possibility, he refrained from retiring again until 3:30 a. m. Wednesday.

C. L. U. Instructors Have Parley With Dr. Huebner

A conference was held in the room of Dr. S. S. Huebner, president, American College of Underwriters, Monday evening, of those who act as instructors of groups studying for the C. L. U. examinations. Ideas were exchanged as to how the instruction can be made more effective. There is quite a difference as between the different cities in the success of C. L. U. candidates in the examinations. "We had a heart-to-heart talk," Dr. Huebner explained.

Dr. Huebner is making gratifying recovery from an illness that has kept him out of commission for more than a year. He was unable to attend the Boston convention last year.

Flies Over Andes to Be Present

John Henry Russell, Pacific Mutual, Los Angeles, probably traveled the longest distance of anyone attending the convention. It was announced Monday that he was flying over the Andes on the first leg of an air journey which was expected to get him into Denver in time for the convention sessions.

Directory is Published

A directory of delegates and guests to this convention is being published for the Capitol Life by the "Insurance Magazine" of Kansas City and Denver. This directory was distributed at noon Wednesday. It contained names of all delegates and guests registered until 6 o'clock Tuesday evening. The name, company affiliation, home address and hotel are given for each. This is the first time such a directory has been published at an NALU meeting.

G. D. Mathews, publisher; H. A. Bodendieck, associate publisher, and J. C. Scarboro, Denver manager of the "Insurance Magazine," handled the mechanics.

Connecticut Mutual Doings

With Vincent B. Coffin, superintendent of agencies, representing the head office, the Connecticut Mutual contingent's get-together is a dinner Wednesday night at Denver Athletic Club. At least 16 general agents of that company are here.

Tuesday morning E. H. Dieckhoff, Denver manager, had a breakfast session for his men. Mr. Coffin made a talk on that occasion. Mr. Dieckhoff has made a good record in the year he has been in Denver. Previously he was a supervisor in the Milwaukee agency.

"Time" Magazine Represented

John Howell of Chicago, advertising representative of "Time" magazine, attended the convention. He was cornered by several groups of insurance men who were maddened by the recent "Time" article making some unkind references to life insurance week and including favorable treatment of the late Philadelphia attack team of Gilbert & Sullivan. Mr. Howell's personality is such that those who descended upon him didn't stay mad long and ended by buying him a drink.

Question Raised As to Agent's Own Income Tax Payment

CONTINUED FROM PAGE 6

sign those to my wife and have her report them as her income?

MR. SEEFURTH: Yes, you can.

MR. LACKEY: That is what I am doing.

MR. SEEFURTH: You are assigning everything that you possibly can assign. If you have done that you have assigned all your property right.

MR. JOHN O. TODD: How much of a gift is he making in that?

MR. SEEFURTH: You have to estimate the value of that gift. One factor is the fact that these payments are over a period of years in the future, and the other is the lapse and the death claim. I don't think there is any formula. It is simply a matter of the best guess.

Other tax questions of general interest brought up at that session were:

W. N. HILLER, Penn Mutual, Chicago. On the subject of interest, I suppose you know of the ruling that policy loan interest, if it is not paid in cash, is not allowed as a deduction?

MR. SEEFURTH: That is true.

MR. HILLER: Has anything been done to combat that?

MR. SEEFURTH: Not that I know of. I know the attitude of the department always has been to disallow the deduction, and I think it is wrong. In other words, if you as a policyholder have a loan and don't pay the interest, just add the amount of interest to your loan, you actually are paying that. The department chose to treat that situation the same as though you had borrowed money from an individual, and instead of paying the interest in cash you gave him another note. They say that that was not a payment of interest. Actually the companies reduce the amount you can withdraw and charge your account, and you pay them. In my opinion the only thing to do is to go through the procedure of actually borrowing your money and giving a check, so that you have it on your check stub. That is the only thing most of these examiners ever pay any attention, to, anyway.

Question: What if income is reported on the accrued basis?

MR. SEEFURTH: There are the two methods of reporting your taxable income. If you are on an accrual basis, you report income when it accrues, that is, when you have the right to it, and then you take your deductions that way. That does make some difference. But in this case, regardless, even when you are on the cash basis, when you don't pay your interest on the policy loan, the company charges your account just as though it went over to the bank and took it out.

H. T. WRIGHT, Equitable, Chicago: It is my understanding on this deduction of a loan—which I think is cockeyed, because you are really taking the money out of the bank—if a man, for instance, deducts a loan, and they disallow it for a period of three years, then when he repays the loan you deduct the whole thing. Is that correct? That is my understanding.

MR. SEEFURTH: Have they allowed it?

MR. WRIGHT: I understand they have.

MR. SEEFURTH: Well, under their theory they should. They don't allow you the deduction when actually you should get it. Then you should deduct it all in that year?

MR. WRIGHT: Yes.

MR. SEEFURTH: Otherwise you would be deprived of your protection.

A. M. SHELDON, Marsh & McLennan, Minneapolis: Concerning income

taxes on business life insurance. We all know many corporations have various subsidiary companies. Many of such corporations are being reorganized and are having one central company, one operating company. We all know when business life insurance is acquired for value received its proceeds become taxable. Is there any reason why that business life insurance moved over should not still claim the same privileges, and how?

MR. SEEFURTH: I have had that question up with some very good lawyers, and some of them have been of the opinion that if there is a reorganization—which is what you are talking about, a tax free organization—in such case there is no assignment of the old insurance for a valuable consideration under the provisions of the law. In other words, it is a non-taxable transaction. I think there is some room for argument. I think that is a fair interpretation, and yet there is some room to argue the other way.

MR. SHELDON: There are no court decisions.

MR. SEEFURTH: You might have the type of policy where there would be a profit if you surrendered it today. Clearly that would not be taxable un-

Million Dollar Round Table Is Second Largest

Chairman Grant Taggart of the Million Dollar Round Table, announced that membership has increased each year since 1933. This year's round table is the second largest, with "fewer members than 1931;" 98 men produced the required amount of business to qualify. Of this number 38 are also life members. Sixty members were registered on the life membership basis. Twenty-eight are members for the first time. The members who qualified by production paid for \$123,766,640, or an average of \$1,265,635, on 80 separate lives. The average case was \$15,820.

All but seven of the members are

der this reorganization, because expressly it is a tax-free reorganization. However, that has nothing to do with the future event, when the policy becomes a death claim and the proceeds are then paid in. But I think it is a fair assumption to make that if you ever have that question, it should be put up to competent counsel and obtain a written opinion, to protect yourself.

married; 61 per cent attended college, 27 per cent stopped at high school, 12 per cent attended grammar school only, 23 per cent hold C. L. U. designations, 20 per cent intend to, 26 per cent set a yearly quota, 21 per cent a monthly quota, 14 per cent a weekly quota, 34 per cent a time record or schedule and the average number of calls per day is 6.2-3.

The outlook this year is more optimistic than last year, with 58 per cent business to be excellent, as compared with 35 per cent last year; 36 per cent say it will be fair.

Dunstall and Muler Head Canadian Contingent

L. W. Dunstall of Toronto, executive secretary Canada Life Underwriters Association, motored to Denver with his family about 10 days ahead of time. He investigated the Colorado scenery, selected the best and then conducted S. F. Muter of Kitchener, Ont., on a Two-day tour. Mr. Muter is manager for Metropolitan Life and is president Canadian association.

Another Canadian at Denver is F. C. Morrow from the head office of London Life.

EDGEWATER BEACH HOTEL



Your Convention Headquarters

More than 100 Insurance Organizations have chosen this unique Hotel on the beautiful shores of Lake Michigan as their meeting place. Ideally located with all modern facilities and unexcelled service for your every comfort and convenience it has played the role of the understanding host to the Insurance Fraternity year after year.

Make the Edgewater Beach Hotel your Convention Headquarters in Chicago—all the luxury and refinement that a private club would afford are yours.

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In CHICAGO



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PERSON AND
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RESPONSIBLE

A Great-West representative discusses clients' problems with confidence and in confidence. He offers the services of one of the largest life companies on the continent.

He is a thoroughly trained life insurance man, a credit to his company and to the profession.

That is the standard of ethics and capability this company demands. In demanding just that, The Great-West is sharing its definite responsibility to Life Underwriters, internationally.

THE GREAT-WEST LIFE ASSURANCE COMPANY

HEAD OFFICE • WINNIPEG, CANADA

*In the wide open spaces
of the west,
The latchstring is always out
for members of the
National Association of
Life Underwriters*

MONTANA LIFE INSURANCE CO.

Enduring as the Mountains

Helena

Montana

"By Their Fruits Ye Shall Know Them"

"He has retired now to a little home on the river to hunt, fish, and be happy. But his work goes on.

"Because of him, a promising young man will enter college this year instead of having to go to work. He'll be on the dean's roll instead of the payroll.

"Out in the suburbs, there is a cozy cottage where a bright-eyed little lady tends her flowers. The home is no longer mortgaged. Her modest expenses are met by a check that arrives every month.

"A man and his wife are making their twilight years the happiest, enjoying successions of sun-drenched days at different ports of call, safe from the wrath of winter.

"All over the city, people are pursuing happy, unharmed lives because of this man's work. Yet, most of them do not even know his name. Those who are the gainers have never seen him. He was an *Insurance Salesman*."

**LIFE
INSURANCE COMPANY of
VIRGINIA**

Home Office: RICHMOND

BRADFORD H. WALKER, President

Three Rousing Insurance Talks At Final Session

(CONTINUED FROM PAGE 5)

the most comment is that of Glenn Frank, editor of "Rural Progress," Madison, Wis. He was the final speaker Thursday morning. All standing room in the theater was occupied and the speaker had the crowd with him from start to finish. He was frequently interrupted by applause and afterwards conventioners were asking each other: "Did you hear that fellow Frank?"

Deletions Were Made

However both Glenn Frank and the outside speaker Friday morning, Charles B. Henderson, director of the R.F.C., caused the insiders a little trepidation. The prepared speeches contained some references that the leaders considered somewhat sour for the occasion, and conferences were held with the speakers at which deletions were agreed upon.

After a night's rest following their defeat at the hands of Houston for the 1938 convention, the St. Louis delegation announced their intention to bid for the 1939 convention.

The resolutions presented at the closing session were perfunctory.

At noon Friday a large number will gather for the fellowship luncheon over which J. Stanley Edwards, Aetna Life, Denver, a former national president, is to preside. Various association dignitaries are to be presented, a program of music and entertainment is to be offered and James E. Gheen, a professional, is to give an address.

Wednesday afternoon and evening the convention was entertained at a western pow wow in the mountains. This was a memorable convention entertainment feature.

Dr. Frank, in his address, said, "Insurance is among the great social inventions. To augment the strength of the individual through pooled resources, collective action, and financial organization so that he can have peace of mind and protection in the face of risks he could not carry single-handed and alone is not just a cold business transaction. It is a warm, living, human venture which underwrites the happiness of multiplied millions of homes."

In another place, he declared, "When I speak of social insurance I mean the whole tendency of the new politics to go beyond the assumption of the old politics that the business of government was primarily a police job of protection and the preservation of order, and to assume that government must accept responsibility for the economic well-being and security of its individual citizens."

"If government is to convert itself into the social insurer of the last living American, then it becomes important that government adhere rigorously to the time-tested principles upon which the strength and stability of the great private enterprises of insurance have been built."

"Insurance stands or falls upon the soundness of its mathematics. If the broad social insurance of economic well-being and security for everybody is to have a chance of succeeding, the

programs of political leadership must grow out of a scientific study of the causes of social problems and be consistently audited by a non-political statistical study of the results of social policies.

"The men who have developed insurance have known that the sounder the health and the longer the life of their policy holders, the more stable, secure, and serviceable their enterprises would be. A government that sets out to guarantee economic well-being and social security to its citizens must organize to prevent its very helpfulness from disintegrating the healthy self-respect and self-reliance of its citizens."

Run to the Government

"The tide of events is running against the individual throughout the world. Men in despair have given up any serious attempt to solve their own problems and have run to the government for salvation. Self-reliant individuals expressing themselves, in the major part of their life and work, through voluntary social action, produce one kind of civilization; citizens devoid of self-confidence and submissive to imposed state action produce another kind of civilization. Whole generations may go tired, and, when they do, they like to be waited on by nurses."

"The problem is the working out of the right relation between the individual, the group, and the state. Each has a part to play. Nothing but disaster is ahead if we let any one of the three rule the roost. The new pattern must give us an America in which free, upstanding, independent, self-reliant Americans can live and breathe, in which the government is afraid of the people, in which the people will not be afraid of the government."

Bert C. Nelson, Northwestern Mutual, Milwaukee, in an address "Building Your Own Security" developed the idea that the agent who has a wide circle of friends has an assured future. He suggested how to go about broadening that circle.

J. M. Gantz, always a sure-fire hit, gave the talk for which he is famous. The feature of the speech that is always remembered is the story about the tough guy and the softie and how they reacted upon receipt of the death of their mothers. By use of that story he expounded the "Colonel's Lady and Judy O'Grady" theory that there is a common denominator of all men and they should look alike to the agent. Mr. Gantz is an actor. He is general agent in Cincinnati for Pacific Mutual.

Robert B. Coolidge, superintendent of agencies, Aetna Life, gave an address emphasizing the importance to the agent of a constantly increasing clientele from whom business can be secured naturally, easily and pleasantly. Genuine security is the lot of the "client builder," he said. Mr. Coolidge suggested some of the methods for building a clientele, methods of a professional, service giving nature, and those of a personal nature, such as placing persons under obligation, engaging in civic endeavors, using the telephone to congratulate persons who have enjoyed good fortune, wishing bon voyage to those who are going on a trip, etc. The speaker suggested the proper technique in soliciting friends.

"A Factual Basis for Action"

A prominent authority on accident and health and life insurance recently wrote: "The tendency of the times is to secure a factual basis for action along any line, as far as this can be done. . . . The possibilities of drawing some very definite conclusions from research of a very limited character were demonstrated by the results obtained by the Monarch Life in connection with the analysis of 40 sales of each of its hundred leading agents."

MONARCH LIFE INSURANCE COMPANY

Springfield, Massachusetts

Monarch Agents use "both hands" effectively.



SURREALIST INTERPRETATION:—An outstanding exponent of the modern method of producing gold with fountain pen and a life insurance application is J. Vivian Hart operating in the fertile Sacramento Valley and historic Mother Lode country—the heart of California. Eight time conservation leader of his company with a ten year renewal ratio average of 95.6% Hart's quality business is appropriately recognized by California-Western Life whose contracts provide renewals for 19 years.

Greetings from

**SCRANTON LIFE INSURANCE
COMPANY**

SCRANTON, PA.

WALTER P. STEVENS, President

DUAL OPPORTUNITIES



The man who sells Life Insurance only and the man who sells Accident-Health Insurance only has discharged but half his obligation to his client.

Complete personal coverage against the risks of life and death is attained only when the policyholder is provided with protection against the losses and suffering due to interrupted income as well as family protection against the total income loss due to death.

Federal Life, issuing both Life and Accident-Health insurance affords its representatives the opportunity to render 100% service to their clients. And this dual opportunity is rewarded by dual commissions.

In most states in which it operates Federal Life has openings offering exceptional opportunities to experienced and qualified agents and managers. Confidential correspondence is invited.



FEDERAL LIFE INSURANCE CO.

ISAAC MILLER HAMILTON, President

CHICAGO, ILLINOIS

Address: George Barmore
Vice President and
Superintendent of Agents

To 20 Men at Denver...

To the twenty men listed below, who are guests of The Midwest Life Insurance Company at the National Underwriters Convention at Denver, the company extends greetings and congratulations for their leadership of the field force in making a SIXTY-NINE per cent gain in new business during 1937 to date.

W. J. KNESS Iowa	O. J. TOKHEIM Iowa
C. E. PORTER Kansas	GLENN A. ETHRIDGE Nebraska
ARCHIE C. MILLER Iowa	L. J. WITTENBERGER Nebraska
J. M. URIDIL Nebraska	C. E. ISENHOUR Nebraska
BURTON ECKHART Iowa	PAUL SCHOENING Iowa
J. T. MAILLIE Iowa	C. R. LOGAN Nebraska
ROY F. WATSON Nebraska	L. B. HARTZELL Kansas
W. T. ELLIS Iowa	J. R. BOYLE Nebraska
ALVIN HOLLE Nebraska	JOHN F. NABITY Nebraska
HOBART L. CHEYNE Kansas	J. LOGAN THAYER Kansas

The MIDWEST Life INSURANCE COMPANY

of LINCOLN, NEBRASKA

W. W. PUTNEY, Pres.

V. L. THOMPSON, Agency Mgr.

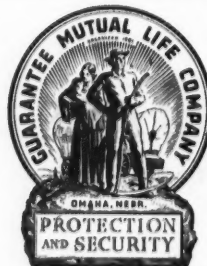
Going Forward in 1937...

At the close of the first six months of 1937, our records show the following results:

Insurance Issued (net).....	\$12,098,885
A Gain, over the first six months of 1936, of	22½ %
Total Insurance in Force.....	\$130,309,269
Gain in Assets	708,045

These outstanding results, at the half-way mark of the current year, were achieved by a well-trained loyal Agency force working under a result-getting production plan that has been developed by an Agency-minded Home Office Staff.

WOULD YOU LIKE TO KNOW WHAT THE PLAN CONSISTS OF?



If so, direct your letter to
A. B. OLSON, Agency Vice-President

GUARANTEE MUTUAL LIFE COMPANY

OMAHA, NEBRASKA

Organized 1901

Licensed in 21 States and the
District of Columbia

GREETINGS

From the

PACIFIC MUTUAL DELEGATION

HEADQUARTERS: COSMOPOLITAN HOTEL

Every
four minutes
of every working day
this company is mail-
ing a claim check to a
Pacific Mutual policy-
holder or beneficiary.
These payments re-
quire more than 4700
checks each month . . .
and amount to over
one million dollars.

GIANT OF
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Pacific Mutual
LIFE INSURANCE COMPANY
LOS ANGELES, CALIFORNIA

The National Association of Life Underwriters

Please accept the grateful appreciation of
The Security Mutual Life Insurance Company for
the consideration given the great Middle West in
holding your National Convention in Denver.

The Security Mutual Life Insurance Co.
of
Lincoln, Nebraska

Commencing Our Second Quarter Century of Service and Achievement

This great Mid-Western Institution invites
your attention to its more than twenty-six
years of unsurpassed service in everything
pertaining to the business of Life Insurance.
Never has there been a flaw in the character
of this service, and to our Policyholders, the
Public and our own Representatives, we
pledge a continuation of the same conscien-
tious and conservative management that has
since its beginning, given strength, charac-
ter and integrity to this great institution, a
product of the Middle West.

H. K. Lindsley, President
J. H. Stewart, Jr., V.P.-Treas.
F. B. Jacobshagen, Secretary

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Farmers & Bankers
LIFE INSURANCE COMPANY**

Wichita, Kansas

"Policies that Protect"

RADIO STATION K F B I—1050 KILOCYCLES

Shock Absorber, Stock Retirement Sales, Step-by-Step

Much Political Sagacity Is Required in Handling Business Insurance Cases

By PAUL C. SANBORN

(Mr. Sanborn, general agent, Connecticut Mutual, Boston, gave this address at the "Business Insurance" seminar Wednesday afternoon.)

The most popular and easiest types of business insurance to sell are the stock purchase plan and the shock absorber. The former perpetuates the stock in its present ownership and retires for cash the deceased member's interest. The latter provides cash for valuable services lost at death.

All successful close corporations may be prospects for some form of business insurance, but few are prospects for you, personally. For that reason, your pre-approach work must be more intense than for the solicitation of personal insurance. Never cite your case to a man who can't do anything about it. Often the mistake is made of soliciting the treasurer of a corporation, when he may be a figurehead. There will be enough buck-passing without having it come from someone so far down the line that your cause is lost from the start. The person solicited must be in a position to act and should not hear of your plan second hand.

Stock Retirement Case

Let's take the case of a corporation owned by two sons and a father. It is a case I closed. The father was inactive, except for voting his one-third interest. The two brothers were active, with one the head of the business and the other following in his wake.

I finally got to the stronger brother. He was placed on a mailing list. While I was trying to contact his bank for a possible lead and trying to find a client who might be a good center of influence, he returned an information card enclosed in one of our direct-by mail letters.

Got Commercial Reports

Commercial reports were obtained, showing the company's financial status and general business activity.

One should know what the social relationship is between the three families. Are the wives congenial? What is the father's attitude toward the two sons? Did he retire because he had accumulated sufficient money and wanted an easy life, or was he forced out by the sons? Are there daughters who may inherit the father's stock, and, if so, have they husbands working in the corporation? Has there been a death among the stockholders in the past which can be used as a motivating feature? Is any business insurance carried now? If so, what is its purpose?

Don't strike until every stone has been turned to obtain this information. It makes no difference what the information finally reveals, there is probably a prospect for the stock purchase plan, and one is armed with sufficient tools to arrange for the first interview.

Pre-Approach Is the Same

The pre-approach for the shock absorber is substantially the same. The lead must be exceptionally strong. Once one has cited his case, there must be sufficient strength of contact to permit a return to the prospect almost at will; otherwise one will be continually on the defensive after the first interview. In prospecting for the shock absorber, one must find the second most powerful man in the corporation. The type of approach will be different than to the prospect for the shock absorber. In a large corporation, there is invariably one outstanding man whose

life should be insured for the benefit of the corporation. If one solicits this key man, modesty may prevent him from discussing it and from going to the directors and explaining his value to them. So, one must determine who is the next most powerful man with the directors.

In some cases one should strike when business is bad and the stockholders are wondering what would happen if Mr. President should die. Psychologically, however, that is not as good as when some big deal may have just been consummated, or natural prosperity is prevailing. This type of solicitation involves months of work before there is even a chance to attempt the close.

Director Was Attorney

I learned in the shock absorber case that the senior director was a prominent attorney, and was generally followed in his decisions by the other directors. Officers were acting as assistants to the president, with little power, and the stock was widely scattered. It was decided to strike at the attorney for the first interview. I still had pre-approach work to do.

In soliciting such insurance, one must be a politician, prepared to play one man against the other, and, if carefully done, one can make it embarrassing if directors vote against the plan.

The president of this corporation was a substantial personal client of mine. I told him that I had watched for years the progress of the corporation. I told him that he knew its success was due to his ability. I was not there on a back-slapping mission, but to tell him that I had planned to call on the attorney to discuss shock absorber insurance. However, even though I realized he would have no objection, I felt I should tell him about my intentions.

Had Introduction to Director

I was armed with an introduction to the senior director. He had to listen to my story, at least out of courtesy to the president.

Let's go back to the two sons and the father. In the first interview I must obtain important information, and get out as soon as I have it.

Nothing is more intriguing to a business man than the future of his corporation. I have never had a prospect deny that a sale and purchase agreement should be in force. My first objective is to secure confirmation on this point. I must find out how much he knows about such a legal agreement. Has some other insurance man discussed it with him? Has there been a death in some other corporation that has made him alert to his own need? This comes out in carefully directed conversation.

In a case like this, one usually gets prompt confirmation on this phase. The man agrees that it should be. The prospect may say, as he did in this case, that it was a "swell idea," that he would like to talk it over with his father and brother; and that he would see me later.

I knew it would be automatic as far as the less important brother was concerned. I felt the father would be a stumbling block and I wanted my prospect to admit as much. One must obtain this kind of admission in his own way.

Encourage procrastination of a sort, because one will get it anyway. Make a point of the fact that this is an important step for the corporation to take and that they should have every sort of cooperation before they come to a decision.

One way to block interruptions is to suggest that before he discusses the plan with other interested parties, a rough outline should be drafted of the case. This is in no way a proposal. The prospect was told as much. He was told it would not be left with him, for reasons which I would tell him in our next interview.

In a very off-hand way, I asked the

name of this man's attorney. I explained that legal talent might be necessary.

Stress Legal Part

The legal part should be stressed, even to the extent of making it sound complicated. It was hoped he would say he did not think his lawyer had done much of this type of work. Force such an admission if you can.

I came to the parting shot. A plan could not be submitted unless I knew the exact number of shares that each interested stockholder owned. Also, what was the total number of issued shares? I told the prospect that this interview had been arranged after scrutiny of the corporation's financial situation. He could realize that in Massachusetts he files each year a financial statement of condition and that such a statement is open to examination.

Did he consider that statement a true indication of the corporation's value? Many of these close corporations milk the treasury through large salaries and dividends, as a result of which the book value would not be the figure that a stockholder would use in valuing his stock for this type of agreement.

Amount of Insurance

I had fixed in the back of the prospect's mind an amount that I considered the corporation to be worth to the stockholders. With this value determined, I had a good indication of the amount of insurance that could be sold.

Let's go back now to the first interview with the prominent attorney who was so powerfully connected with the large corporation whose president I hoped to insure.

I got confirmation on obvious points. The directors leaned rather heavily on the president's ability, so I stated that as a query and obtained confirmation.

Something as follows is said, "I am sure you will agree with me, Mr. Attorney, that, although the corporation might not be forced into liquidation, Mr. President's death would cause a financial loss of a certain amount. If this was not the case, he certainly would not hold the position that he now enjoys."

Preventing Objections

My prospect agreed with me. I had no interest in dwelling on other points, as I was anxious to prevent any objections from entering into such an interview.

I expected procrastination, so I suggested it. Might I discuss the same points with a second director? I asked this permission, and obtained it. I wanted him to commit himself before I left this interview, to one question: "If Mr. Banker-Director is favorably inclined toward this plan, am I correct in feeling that you would recommend it to the board?" The answer to this question in most cases will be 75 per cent positive and 25 per cent positive with a reservation.

This type of interview takes very few minutes and if one gets out while the going is good, the close is imminent.

My interview with the banker-director was identical, and the same confirmations were obtained. A letter was written to thank them for the interview and to repeat the confirmations obtained.

Calls on the President

It was time to call on the president and tell him in an offhand way he should be pleased to learn that these two directors thought so much of him. The close would depend, to a large extent, on politics and salesmanship.

We now come back to the second interview in our stock purchase plan. I prepared the outline and went through it step by step.

He liked the summary. I reminded him I could not leave it with him. I knew he still would like to talk the plan over with his father and brother.

I was not afraid to state this myself. It might happen anyway. But if I actually permitted it, I was on the defensive. The next move had to be mine.

Steers to Own Lawyer

He might have said he would like to talk to his accountant or his lawyer. If it got into the hands of his lawyer at this stage, I would have lost prestige and control. In 90 per cent of my successful cases, the lawyer does not enter until it is definitely closed. My lawyer, who has had experience in this type of work, should draw the actual sale and purchase agreement.

Lawyers in every town will cooperate by charging a small fee for the first draft and a more substantial fee if the agreement is consummated. I am constantly creating business for lawyers, but I sit in the driver's seat.

In this interview, I acquired a new light on the objections that might be raised by the other two stockholders, and I was convinced that the first stumbling block would be the father, and I obtained confirmation on this point.

Father First to Die

I pointed out, in the normal course of events, the father would be the first to die, it would be too bad to have sisters and brothers-in-law own a third interest under such circumstances.

I asked if it wasn't important that this business continue in the hands of the two active brothers or the survivor, in the event that the father did not consent to the agreement. This was an obvious question and he implied an affirmative answer. I requested permission to have my counsel draw two agreements, one disposing of the stock of all three, and the other an agreement between the two brothers only. I was forcing myself to a showdown with the old gentleman, and I didn't propose to lose the case. He proved uninsurable anyway.

To prove that the younger brother would fall in line with whatever the older brother wanted, I suggested an examination before the old man was interviewed, on the theory that if he should consent, we could have agreements signed at the time of that interview and everything would be completed. The examinations were made, and I have yet to meet the younger brother.

Undercover Work

In the case of the shock absorber, I had been doing undercover work, through secretaries and other officers of the company. The case had dropped into temporary procrastination. I had nothing new to talk about. I decided to call again on the senior director and report to him the result of my interview with the banker-director. He told me that he would be willing to discuss it at the next board meeting. I could not afford to sit still. I called on the president, and told him the matter would come up at the next meeting, and I was sorry I had let it go as far as it had without first determining whether he was insurable.

He had the examinations. At the meeting they voted to empower the two directors to act. If I had not forced the examination and had policies issued prior to the meeting, I would have been on the defensive.

Lawyer Completed Agreement

Let's complete the sale with the old gentleman and the two brothers. My lawyer completed the agreement. The father had many ideas of his own which made little sense. Unless I eliminated him for the present, the case would remain incomplete indefinitely.

I called the important brother. We made another appointment, at which time the policies that had already been issued were paid for and the second agreement, involving only himself and his brother, was left for their signatures.